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**Stock code (HOSE):** SRF

*Persistent*  
**IN OBJECTIVES**  
*Flexible* **IN**  
**TACTICS**

**ANNUAL REPORT 2022**





# *Crystallization* OF POWER

A strong and united Searefico team is based on the combination of each member's efforts with the aspiration to win and ambition to become a business that goes beyond, in terms of both scale and value, and fosters innovation from the inside.

SEAREFICO





# *Transform* TO CREATE THE BREAKTHROUGH

Searefico is determined and confident with the desire to become the leading corporation in engineering and technology field not only in the region. Thus, Searefiers are determined to realize their vision and seek new drivers for growth. These have motivated us to transform, overcome all obstacles, continually speed up and create the breakthrough to reach the spectacular target.





*Persistent*  
IN OBJECTIVES  
*Flexible* IN  
TACTICS

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While the economic context in 2022 is referred to as a fierce, dangerous and challenging wave, businesses are referred to as the surfers that bravely face and constantly strive to master that wave. During this period, experience, position, acquired skill and mindset, and the ability to predict, forecast, and improvise to change the situation, are important factors to keep the business survive and develop.



# SEAREFICO's spotlight

**CHARTER CAPITAL**  
355,667,800,000 VND

▲ 30 times

THE CHARTER CAPITAL INCREASED 30 TIMES OVER THAT AT THE END OF 1999

▲ 27.4%

THE GROUP'S REVENUE INCREASED BY 27.4% OVER THAT IN 2021

▲ 294%

CASH AT THE END OF 2022 INCREASED BY 294% OVER THAT AT THE BEGINNING OF THE YEAR

▼ 20%

INVENTORY IN 2022 DECREASED BY 20% OVER THAT IN 2021

● 1.1 times

CURRENT RATIO IN 2022 AND IN 2021

▲ 50%

LABOUR PRODUCTIVITY IN 2022 DOUBLED OVER THAT IN 2021

## MILESTONES

1999 - 2009



1999

Seaprodex Refrigeration Industry Company was equitized with the charter capital of 12 billion VND and changed its name to Seaprodex Refrigeration Industry Corporation, and its trading name is SEAREFICO.



2009

8,020,066 SRF shares were listed and traded at Hồ Chí Minh City Stock Exchange (HOSE) on October 21, 2009.

2010 - 2019



2013

Issuing bonus shares at the ratio of 1:1, increasing charter capital to 162.5 billion VND.

Executing strategic cooperation with Taisei Oncho - Top 3 M&E contractors in Japan. Taisei Oncho became a strategic shareholder of SEAREFICO.



2018

The Company's revenue reached the highest milestone of over 1,700 billion VND.

Establishing Searee Refrigeration Electrical Engineering Corporation (SEAREE).

Establishing Greenpan JSC.

2020 - 2022



2022

Deinvesting the capital from HCC.

Continuing the conversion of the operational model into Pure Holdings.

Selecting 26/10/1996 as the date of incorporation of the Company and 26/10 as Searefco's Day.



# MESSAGE FROM CHAIRMAN OF BOD

## DEAR PRECIOUS SHAREHOLDERS, CUSTOMERS, PARTNERS, AND ALL EMPLOYEES.

After two Covid years, 2022 closed with numerous disturbances and challenges from escalating inflation, fluctuating exchange rate, increasing interest rate, tightened bank credit room, and disrupted supply chain in the context of glooming economic recession and geo-political tensions across the world. The situation was particularly dire in the real property sector as many firms had to stop their operations, became insolvent and unable to repay debts, salaries, and social insurance, and failed to honour their commitments to customers. Under those circumstances, Searefco still managed to take care of employees' lives and fulfill our obligations to the customers. Being persistent and enduring obstacles and never backing down, those are Searefiers' outstanding qualities that shine again amidst the darkness of the crisis.

Inheriting the legacy of the previous experienced, enthusiastic and talented generation over 35 years of development and growth, Searefco has gradually overcome the difficulties, resolved the challenges and taken bold steps to restructure our organization and development activities following a specific roadmap and plan to optimize our operations in the context of unprecedented difficulties in the history of our construction and development. Following the motto, "Lives Kindly. Works Hardly. Endows Legacy", Searefiers have always demonstrated their bravery to overcome difficulties, acted with integrity in all activities, and boldly adopted changes and maintained the aspiration to lead.

After an extremely difficult year facing disturbances in the external environment and internal resources, Searefiers, both existing staff and new members, have used their best efforts to reach specific achievements. Searefco maintained our ranking among Top 100 Vietnam Best Companies To Work, Best Companies to Work in Asia 2022, Top 500 Largest Private Enterprises in Vietnam (VNR500); Top 5 Most Reputable M&E Contractors; Top 5 Excellence Annual Reports (Small Caps Category); Top 10 Enterprises with Excellent Business Culture in Vietnam.

Regretfully, 2022 becomes the first year in the 35-year history of Searee and 26-year history of Searefco Group that we have reported a loss. However, a positive aspect is that we have consistently managed to balance our cash flows, labour productivity and operational efficiency with impressive growth. This is proof that the Board's decisions and the Management's execution have brought about practical results. We can be proud as we have restructured our capital and assets amidst the crisis to ensure long-term financial soundness and safety. We have been self-sufficient in cash flows to serve our production and business activities. We have also been transparent in the disclosure of information to maintain the shareholders' and customers' trust while still contributing to support the community.

In 2023, Searefco will continue improving our management policies and systems following the best practices and standards in the world, seeking M&A opportunities to strengthen our financial resources and invest in expanding the ecosystem of Searefco Group, focusing on areas with higher profit margins and safety.

Knowledge is an asset. Human is the core. Technology is the foundation. There are still many challenges ahead, but I believe that, with our true values, Searefco will always go forward and continually unleash our inner power in the spirit of ONE SEAREFICO to break through and overcome all obstacles and maintain our leading position when the market recovers.

New attitude for a new journey to get beyond the waves, be "persistent in objectives and flexible in tactics", and be determined for ever-lasting goals!

Best regards,

**LÊ TẤN PHƯỚC**  
Chairman of Searefco Corp.



“

Persistent and enduring before obstacles.  
Flexible and adaptive to circumstances.  
Determined to transform to lead.



# Persistent IN OBJECTIVES Flexible IN TACTICS

It is difficult to evaluate a person's pride in conquering the waves by the measure of time or effort. That pride is demonstrated by his excitement when he talks about standing or turning his board or taking a step or two, when he vividly remembers each ocean wave that he has conquered, when he knows how to make adjustments while resting on the board, when he sails waiting for an opportunity and avoiding other surfers rushing towards him, and even when he dives into the ocean to allow the wave to pass.

It will be difficult for a person without passion, courage, perseverance, as well as mental and physical strength to pursue this adventurous sport. As the observers, we can only see big or small, gentle or fierce waves before our own eyes. But as a person standing on the board, we will feel every subtle change in the water and wind. It is not simple to get aware of those changes as it requires one to have the wisdom, sensitivity, and experience accumulated over the years. Love is a necessary condition while expertise and technique are sufficient ones for the followers of this sport.

The image of a person standing proudly on his board, riding over tens of meters high waves, is the symbol of man's domination of nature, and also the image of a child being taught by mother nature about the courage and mental state of "persistent in objectives - flexible in tactics" as things may happen at any time without any premonition.

While the economic context in 2022 is referred to as a fierce, dangerous and challenging wave, businesses are referred to as the surfers that bravely face and constantly strive to master that wave. During this period, experience, position, acquired skill and mindset, and the ability to predict, forecast, and improvise to change the situation, are important factors to keep the business survive and develop.

With a firm stance, comprehension of core values, and a spirit of flexible improvisation along with appropriate leadership, Searefiers are fully equipped to be consistent, persistent, and determined to continue affirming their strengths and position in the market, and above all in the minds of their customers, partners, investors and individual members.

## Abbreviation Glossary

**GMS:** General Meeting of Shareholders

**BOD:** Board of Directors

**BM:** Board of Members

**BOM:** Board of Management

**CEO:** Chief Executive Officer

**AC:** Audit Committee

**HRSBC:** Human Resources and Salary and Bonus Committee

**IODC:** Innovation and Organization Development Committee

**IA:** Internal Audit

**SSC:** State Securities Commission

**HOSE:** Hồ Chí Minh City Stock Exchange

**SRP:** Searefico Reinvention Project

**KMP:** Knowledge Management Project

**SDP:** Searefico Digitalization Project

**HI:** Health Insurance

**SI:** Social Insurance

**AI:** Accident Insurance

**HCMC:** Hồ Chí Minh City

**JSC:** Joint Stock Company

**Ltd.:** Limited Liability

**Group:** Searefico Group

**Searefico/ Company:** Searefico Corporation or Searefico Group in each context

**Searefico E&C:** Searefico Engineering & Construction Joint Stock Company

**Searee:** Searee Refrigeration Electrical Engineering Corporation

**Seareal:** Seareal Real Estate Joint Stock Company

**Phoenix:** Phoenix Energy & Automation Joint Stock Company

**HCC:** Thừa Thiên Huế Construction Joint Stock Corporation

**Arico:** Asia Refrigeration Industry Joint Stock Company

**Greenpan:** Greenpan Joint Stock Company

**M&A:** Mergers & Aquisitions

**M&E:** Mechanical & Electrical

**PIR:** Polyisocyanurate

**EPC:** Engineering, Procurement and Construction

**D&B:** Design and Build

**CC:** Charter Capital

**FS:** Financial Statements

**PB:** Production and business



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## 1. HUMAN

Lives Kindly. Works Hardly.  
Flexibility to Adapt. Dedication  
and Responsibility. Getting  
united for common goals and  
being ready to change for the  
organization's interest.

## CORE VALUES

## 3. QUALITY

Being progressive in learning,  
aiming at perfection, and  
improving product and service  
quality as the commitment to the  
survival of the Company.

## 2. SYSTEM

Constantly improving existing  
technologies and applying new  
ones in design, production and  
construction activities. Taking  
the lead in applying advanced  
management tools and methods  
following good management  
practices in the world.

## VISION

We aim at becoming the leading corporation  
in engineering and technology

## MISSION

We strive for excellence to offer customers  
the best products and service

## MOTTO

Lives Kindly - Works Hardly - Endows Legacy

SMALL ENOUGH TO LISTEN - BIG ENOUGH TO DELIVER



# Section 1

## Overview

SEAREFICO

In the context of unpredictable changes in the global and domestic economies, "Challenge" is a keyword that is clearly present in the development journey of every business, and SEAREFICO is no exception.

A good surfer is someone that is always firm under all circumstances, proactive before each wave, flexible from time to time, and knows to turn his thoughts into practical actions in a timely manner. That is also what the Searefiers have done together to overcome the fierce wave in 2022.





## 1. OVERALL INFORMATION

# SEAREFICO

## SEAREFICO JOINT STOCK COMPANY

### BUSINESS REGISTRATION CERTIFICATE

No. 0301825452 issued by the Department of Planning and Investment of Hồ Chí Minh city, first registration on 18/09/1999 and registration on changes for 21st times on 28/09/2022.

### OVERALL INFORMATION

Address	No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City
Phone No.	+84 28 3822 7260
Fax No.	+84 28 3822 6001
Website	<a href="http://www.searefico.com">www.searefico.com</a>

### STOCK CODE (HOSE)

# SRF



## 2. HISTORY OF FOUNDATION AND DEVELOPMENT

## a. Milestones

## 1999 – 2009

## 1999

Seaprodex Refrigeration Industry Company was equitized with the charter capital of 12 billion VND and changed its name to Seaprodex Refrigeration Industry Corporation, and its trading name is SEAREFICO.

## 2005

Being restructured into 4 main business units: M&E Division, Industrial Refrigeration Division, Panel Factory, and SEAREE Đà Nẵng.

## 2007

IPO to existing shareholders, staff, employees and strategic Partners through auction, increasing its charter capital to 46.4 billion VND.

## 2009

8,020,066 SRF shares were listed and traded at Hồ Chí Minh City Stock Exchange (HOSE) on October 21, 2009.

## 2010 – 2019

## 2010

Establishing an ARICO subsidiary with 100% of SEAREFICO's investment capital.

## 2013

Issuing bonus shares at the ratio of 1:1, increasing charter capital to 162.5 billion VND.

Executing strategic cooperation with Taisei Oncho - Top 3 M&E contractors in Japan. Taisei Oncho became a strategic shareholder of SEAREFICO.

## 2014

Issuing bonus shares at the ratio of 2:1, increasing charter capital to 243.7 billion VND.

Acquiring 36% of the charter capital of Thừa Thiên Huế Construction Joint Stock Corporation (HCC). HCC became an Associate of SEAREFICO.

## 2015

The Company's revenue exceeded 1,000 billion VND.

## 2017

Completing the conversion of Asia Refrigeration Industry Company Limited (ARICO) into a JSC.

Issuing bonus shares at the ratio of 3:1, increasing charter capital to 324.9 billion VND.

## 2018

The Company's revenue reached the highest milestone of over 1,700 billion VND.

Establishing Searee Refrigeration Electrical Engineering Corporation (SEAREE).

Establishing Greenpan JSC.

## 2019

Marking the successful transfer of generations and conversion of the operational model into a Holdings Company.

Establishing the SEAREFICO Engineering and Construction JSC (SEAREFICO E&C) by converting all the current operation of the M&E sector.

Establishing the SEAREAL Real Estate Joint Stock Company.

Sanyo Vietnam officially became Searefco's major shareholder.

## 2020 – 2022

## 2020

The most modern PIR panel production line in Asia started operation in April 2020 at the Greenpan factory.

## 2021

Continuing the transfer of generations and conversion of the operational model into Pure Holdings.

Raising the capital of Arico to 120 billion VND to increase its financial capability to take over bigger projects and invest in developing new products.

SEAREFICO E&C raised its capital to 150 billion VND and received the transfer of total shares in SEAREE Refrigeration Electrical Engineering Corporation from SEAREFICO, aiming to consolidate the resources and management operations in M&E.

Issuing bonus shares at the ratio of 10% as dividends in 2020, increasing charter capital to 355.7 billion VND.

## 2022

Deinvesting the capital from HCC.

Continuing the conversion of the operational model into Pure Holdings.

Selecting 26/10/1996 as the date of incorporation of the Company and 26/10 as Searefco's Day



## b. Lines of business

By changing to the Holding model, the operations of Searefco Group are no longer limited to M&E and industrial refrigeration but expand to financial investment, providing M&E, energy and renewable energy solutions, and manufacturing environmentally friendly building materials.

**Financial investments:** Focus on Mergers and Acquisitions (M&A) activities and make financial investments in enterprises with development potential in the engineering and technology sector; expand the scale and promote the strengths of Searefco ecosystem.

**M&E and construction services:** Serve as professional and reputable EPC general contractor; specialize in designing, supplying, installing and maintaining M&E and construction works; provide smart warehousing solutions, automation lines, technology systems for civil and industrial projects.

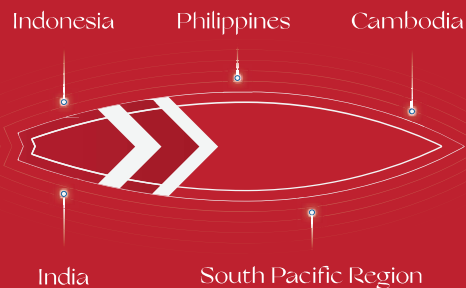
**Industrial refrigeration and food processing:** Produce and supply industrial refrigeration systems, freezer refrigeration equipment, cold storages, boilers, thermal equipment, and processing line for seafood, agricultural, vegetable and fruit, alcohol and soft drinks.

**Development of new construction material:** Produce and supply PIR insulation panels with many superior properties in terms of heat insulation, sound insulation, fire resistance and environmental friendliness; for civil and industrial constructions.

**Renewable Energy:** Design, implement, invest, exploit and operate solar and biomass power projects.

## c. Scope of activities

The scope of activities of the Company stretches across the country, from the North to the South and island region. Industrial Refrigeration products have been exported to foreign markets.



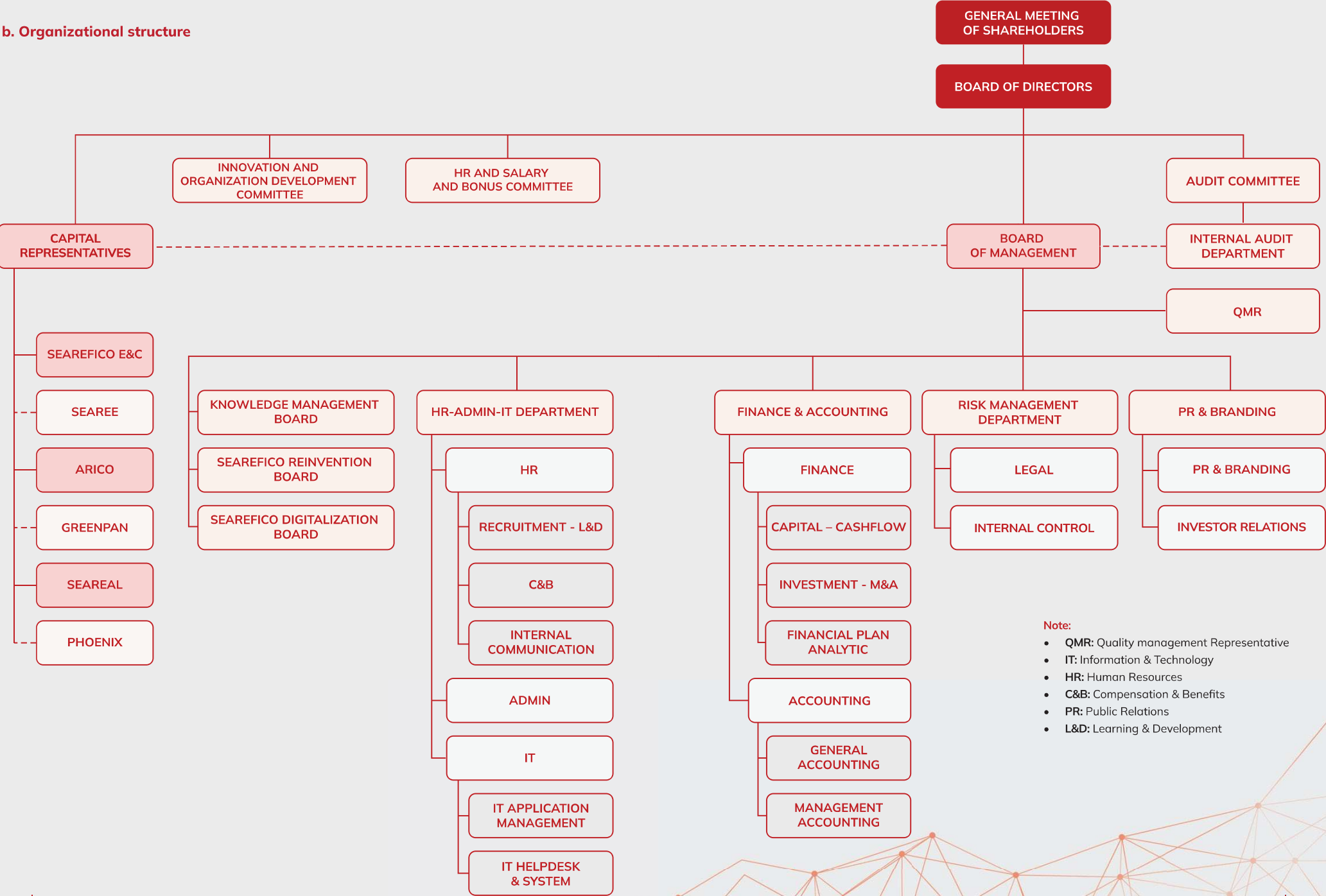
## 3. OPERATIONAL MODEL, ORGANIZATIONAL STRUCTURE, INFORMATION ON SUBSIDIARIES

### a. Operational model





b. Organizational structure





**SEAREFICO ENGINEERING  
& CONSTRUCTION JOINT STOCK COMPANY****Address:**

No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City.

**Charter Capital:**

**150 billion VND**

**Ownership rate of SRF:**

**99.31%**

**Business lines:**

EPC General Contractor specializes in the design, all-in-one construction and maintenance of civil and industrial projects, including smart warehouses, automation lines, and high-tech lines.

**SEAREE REFRIGERATION  
ELECTRICAL ENGINEERING CORPORATION****Address:**

Road No. 10, Hòa Khánh Industrial Zone, Liên Chiểu District, Đà Nẵng City

**Charter Capital:**

**50 billion VND**

**Indirect ownership rate of SRF:**

**73.19%**

**Main lines of business:**

Provide services of design, construction and installation of mechanical and electrical works for civil and industrial projects (air-conditioning system, electric system, fire prevention and fighting, elevator works etc. in and outside the country).

**SEAREAL REAL ESTATE JOINT STOCK COMPANY****Address:**

No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City

**Charter Capital:**

**100 billion VND**

**Ownership rate of SRF:**

**98.40%**

**Business lines:**

Manage, operate, and invest in commercial real estate projects, particularly industrial zones.

**ASIA REFRIGERATION INDUSTRY JOINT STOCK COMPANY****Address:**

25 – 27 Trung Tâm Street, Tân Tạo Industrial Zone, Tân Tạo A Ward, Bình Tân District, Hồ Chí Minh City

**Website:**

www.arico.com.vn

**Charter Capital:**

**120 billion VND**

**Ownership rate of SRF:**

**84.00%**

**Business lines:**

Design and provide comprehensive solutions for the food processing industry; research, manufacture and provide advanced industrial refrigeration systems and equipment for domestic and foreign markets.

**GREENPAN JOINT STOCK COMPANY****Address:**

25 – 27 Trung Tâm Street, Tân Tạo Industrial Zone, Tân Tạo A Ward, Bình Tân District, Hồ Chí Minh City

**Website:**

www.greenpan.com.vn

**Charter Capital:**

**105 billion VND**

**Indirect ownership rate of SRF:**

**48.64%**

**Business lines:**

Product insulation construction materials using modern industrial technologies; design and provide green solutions for domestic and international civil and industrial works.

**PHOENIX ENERGY & AUTOMATION JOINT STOCK COMPANY****Address:**

No. 72-74 Nguyễn Thị Minh Khai, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City.

**Charter Capital:**

**5 billion VND**

**Indirect ownership rate of SRF:**

**37.80%**

**Business lines:**

Provide consultancy, design, and installation of rooftop photovoltaic projects for civil and industrial zones; develop smart automation solutions of small to large scale.



## 4. DEVELOPMENT ORIENTATIONS

### 4.1. Major Objectives of the Company

Develop the Company sustainably on the platform of our core values; Maintain the "KIND" with the employees, the "TRUST" with the customers, and maximize the benefits of the shareholders, known by the business community and society as a company with a standard business culture, integrity and transparency.

- Continue to restructure the investment portfolio in Subsidiaries under the Pure Holdings model. Company scale expansion via establishment, acquisition, merger of manufacturing and technology companies, aiming to raise the proportion of production to 50% of revenue by 2025.
- Continue developing SEAREFICO E&C under the EPC model to become one of the leading companies in the application of science and technology to construction in Vietnam.

- Maintaining its position as the leading unit in the field of smart warehouse construction, industrial refrigeration in Vietnam through technology solutions that bring added value to customers.
- Focus on re-positioning the Searefico brand to match the position of a leading multi-disciplinary group in the engineering and technology sector in Vietnam; promote Corporate Social Responsibility (CSR) activities.
- Maintain the title of Top 100 best places to work in Vietnam. Creating a healthy competitive working environment, giving autonomy and career development opportunities, and raising worthy incomes for employees - **SINCERE - STATURE - SKILLFUL**, who shares the same core values and create the consensus with the Company's cultural identities.

### 4.2. Medium and Long-Term Development Strategy

Consistent with the goal of sustainable development, in which human resources are the core, technology is the foundation:

- Complete and expand the Searefico ecosystem.
- Invest resources in producing environmentally friendly construction materials, producing new products with high technology content.
- Respect the differences of each individual to build a team in accordance with the medium and long-term development orientation.
- Sustainable development on the basis of balancing community and business interests.
- Continually improve, optimize operations, practice good governance.

### 4.3. Objectives of Sustainable Development

- **To our customers:** Providing quality products and services at competitive prices, meeting the increasing requirements of customers.
- **To our employees:** The goal is to maintain the title of Top 100 best places to work in Vietnam. Creating a cohesive, creative and humane working environment. Raise income levels, create more promotion opportunities for employees.
- **To our shareholders:** Preserve, use capital effectively and maximize the interests of shareholders.
- **To our environment, society, and community:** Commitment to fulfill the Company's responsibilities and obligations to the community and society. Continue to research and invest in green, clean and environmentally friendly technologies.



“

Focusing on people, promoting the spirit of One Searefico and creating a challenging working environment, with many equal development opportunities for all employees, for the same goal, common values - Lives Kindly, Works Hardly, Endows Legacy.



## 5. RISK FACTORS

Risk management activities are carried out continuously and thoroughly across the Group. Line-2 Defense conducts scheduled, theme-based risk assessment at subsidiaries and focuses on holding internal training on the 3 - Line defense model to raise risk awareness for all employees of the Company. Management and administration decisions are made after considering risk aspects to ensure the achievement of set goals and contribute to the sustainable and stable development of Searefico.

### 5.1. Strategic risks

Strategic risks are Company-level risks that affect the development and implementation of our strategy. With a value chain spanning from producing and supplying materials to the construction industry, deploying industrial cold and smart warehouse projects to EPC general contractors, we have faced numerous difficulties and challenges in our fields of activities. Regarding our strategic risks, we have identified the following risks:

#### Brand and reputation risks:

These risks may come from unverified media information related to our products, services and projects that we are carrying out. Information may cause severe damage to our reputation and brand, resulting in concerns about Searefico among the customers, shareholders, and investors. We have prepared our media crisis response plans and promoted the review and use of media tools for identifying any negative information and dealing with it promptly.

#### Security and technology risks:

These risks are related to our know-how, production technologies, and trade secrets and may undermine our competitiveness and long-term development. To deal with these risks, we have started Searefico Digitalization Project (SDP) concurrently with Knowledge Management Project (KMP) with focus on digitizing our production and business activities, and technology secrets, as well as the storage, share and use of our intelligence and technology secrets properly and confidentially.

#### Natural disaster and epidemic risks:

Having witnessed the serious impact of the Covid pandemic on the entire world in general and Vietnam in particular, we have developed a plan to maintain the continuity of our production and business activities, and prepare different responses to emergencies to significantly mitigate the losses and maintain our going-concern principle.



### 5.2. Operational risks

These risks are related to inadequate or erroneous internal procedures, human factors, errors, and failures of information technology systems, or external factors, which may result in financial loss and a negative impact on the achievement of Searefico's objectives. We have a dedicated department that is responsible for quality management and maintenance of our quality management system. Our procedures, regulations, and document systems are constantly reviewed and updated. In the meanwhile, we also strengthen our compliance control to identify any potential risks.

### 5.3. Financial risks

These are risks related to cash flows, exchange rate fluctuations, and the financial balance of the Company. To mitigate cash flow risks, we have adopted a centralized cash flow management approach using daily updated cash flow reports, which helps timely coordinate cash flows throughout the Group, maintain liquidity, and increase our banking credibility.

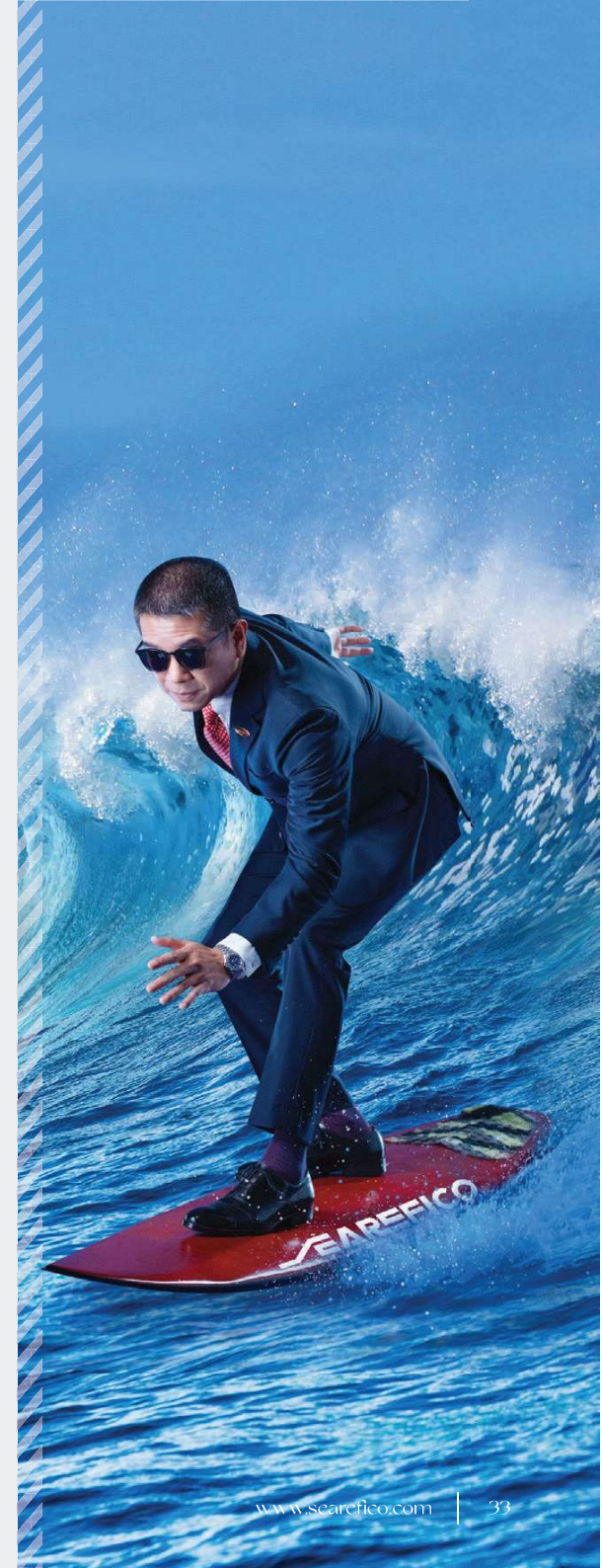
In mitigating interest rate risks, we focus on controlling debt risks before engaging in or accepting any bid projects, increasing the proportion of activities in the manufacturing sector, proposing the solutions to control receivables early from contract negotiation phase. During the construction phase, we maintain a constant review of quality records and legal documents to ensure the initiative in case of any disputes.

### 5.4 Compliance risks

We always strictly comply with provisions of the Law on Enterprises, Law on Securities, Investment Law, and other relevant documents in accordance with compliance requirements on listed companies.

### 5.5 Environmental risks

Environmental risks are those that may arise during the implementation of projects such as failure to ensure working conditions, health of the employees, and public safety and security, etc. Acknowledging the significance of environmental risk management, Searefico Group emphasizes Safety and Quality Assurance (SQA), focusing on forecasting and mitigating the risks and their negative impacts on the health and safety of the employees and local communities surrounding Searefico projects.





The background of the entire page is a deep blue underwater scene. A person in a wetsuit is shown falling or diving, with their body partially obscured by a low-poly, geometric digital overlay in shades of blue and green. Bubbles are visible around the person. The overall mood is mysterious and technological.

## Section 2

# Business Operation

AREFICO

Among numerous surfers out there, some may think that they have mastered the waves and momentarily forgot about the unpredictable changes of the ocean and, as a result, they adhere to certain techniques or postures and, ultimately and unfortunately, fall over. In the meanwhile, some surfers are sensitive to all of unpredictable changes of the ocean and bravely maneuver across the waves, appearing to be swallowed up at times but then reappearing in a spectacular manner.

So, the outcome of a surfing journey cannot be measured by any individual stage or technique as the variable can have an immediate effect and keep us from attaining the glory.



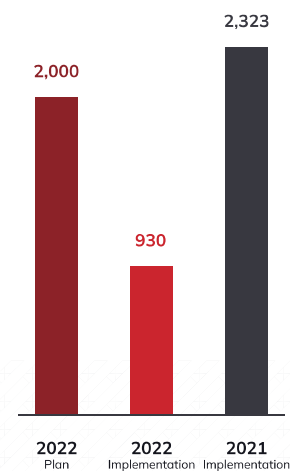


## 1. BUSINESS OVERVIEW

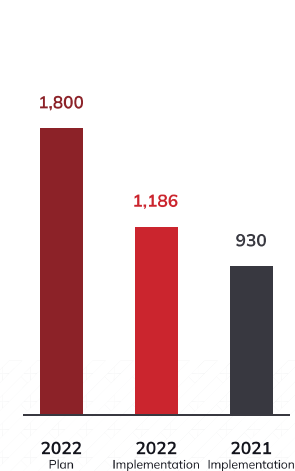
Unit: Billion VND

Indicator	2022 Plan	Implementation in 2022		Implementation in 2021	
		Value	% / 2022 plan	Value	% 2022/2021
Signed contract value	2,000	930	46.5%	2,323	(60.0%)
Revenue	1,800	1,186	65.8%	930	27.4%
Earnings after taxes	50	(141)	-	34	-

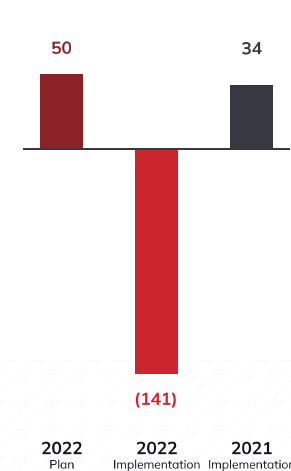
SIGNED CONTRACT VALUE



REVENUE



EARNINGS AFTER TAXES





## 2. PERSONNEL ORGANIZATION

### 2.1. List of members of the Board of Directors

#### Mr. LÊ TẤN PHƯỚC

CHAIRMAN OF THE BOARD OF DIRECTORS

Year of birth: 1965

Educational level: Thermal Engineer

Number of shares held: 944,798 shares, accounting for 2.66% of the Company's charter capital.

#### ACHIEVEMENTS

Mr. Lê Tấn Phước currently holds the position of Chairman of the Board of Directors and is a founding shareholder of Searefico.

With the aspiration to create the top "Made in Vietnam" products in the world, he and the Board of Directors are determined to develop Searefico into a National Brand in the field of engineering and technology, and gradually affirm our position in Vietnamese and global markets.

Focusing on building a sustainable and stable business, he is also the leader in developing a business community with healthy business culture, aiming to contribute practical values to society.

#### POSITION HELD IN OTHER ORGANISATIONS

Chairman of BOD of Arico

Member of BOD of Greenpan JSC

Besides, he is also the Vice Chairman of Vietnam Association of Business Culture Development, Vice Chairman of YBA - Gold Entrepreneur Club and Head of Competence Committee of Dale Carnegie Leadership Club.







**Mr. PHẠM KYLE ANH TUẤN**

Independent member of BOD

Year of birth: 1969

**Educational level:**  
Master of Business Administration

**Number of shares held:**  
0 shares

**Accounting for 0% of CC of the Company**

**Position held in other organisations:**

- Financial Director of The Grand Ho Tram Golf, Resort & Casino



**Mr. NISHI MASAYUKI**

Non-Executive Member of BOD

Year of birth: 1952

**Educational level:**  
Electrical engineer

**Number of shares held:**  
0 shares

**Accounting for 0% of CC of the Company**

**Position held in other organisations:**

- Managing Director of SEC Inc.
- Director of SEC Mashibah SDN



**Mr. NGUYỄN HỮU THỊNH**

Non-Executive Member of BOD

Year of birth: 1958

**Educational level:**  
Electrical Engineer

**Number of shares held:**  
1,515,258 shares

**Accounting for 4.26% of CC of the Company**

**Position held in other organisations:**

- Member of BOD of Greenpan JSC



**Mr. RYOTA FUKUDA**

Non-Executive Member of BOD

Year of birth: 1969

**Educational level:**  
Master of Business Administration

**Number of shares held:**  
0 shares

**Accounting for 0% of CC of the Company**

**Position held in other organisations:**

- Deputy Executive Officer, Overseas Business Division, Taisei Oncho CO., LTD



**Mr. LÊ QUANG PHÚC**

Independent member of BOD

Year of birth: 1966

**Educational level:**  
Master of Business Administration

**Number of shares held:**  
0 shares

**Accounting for 0% of CC of the Company**

**Position held in other organisations:**

- Chairman of BOD of BDSC Management Consulting Corporation
- Member of BOD of Phu Nhuan Jewelry JSC (PNJ)
- Member of BOD of Phat Dat Real Estate Development Corporation (PDR)
- Member of BOD of Tay Ho Investment & Construction JSC



## 2.2. List of members of the Board of Management



**Mr. VŨ XUÂN THỨC**

Chief Executive Director (CEO)

Year of appointment: 2022

Year of birth: 1986

Educational level:  
Bachelor of Accounting & Auditing

Number of shares held:  
0 shares

Accounting for 0% of CC  
of the Company

Position held in other organisations:

- Member of BOD of Searefco E&C
- Member of BOD of Searee
- Member of BOD of Seareal
- Member of BOD of Phoenix



**Mr. ĐÌNH NGỌC TRIỂN**

Chief Accountant

Year of appointment: 2022

Year of birth: 1986

Educational level:  
Bachelor of Accounting & Auditing

Number of shares held:  
0 shares

Accounting for 0% of CC  
of the Company



**Mr. TRẦN ĐÌNH MƯỜI**

Deputy General Director

Year of appointment: 2017

Year of birth: 1971

Educational level:  
Thermal and Refrigerator Engineer

Number of shares held:  
110,001 shares

Accounting for 0.31% of CC  
of the Company



### 2.3. Changes in the Board of Management

The BOM experienced several changes of positions as follows:

- Appointed Mr. Huỳnh Khôi Bình to hold the position of Deputy General Director of Searefco from March 26, 2022 according to BOD's Decision No. 004/QĐ/HĐQT/SRF/22 dated March 25, 2022.
- Dismissed Ms. Nguyễn Thị Thanh Hương from the position of CEO of Searefco from July 4, 2022 according to BOD's Decision No. 021/QĐ/HĐQT/SRF/22 dated July 4, 2022.
- Appointed Mr. Phan Thành Long – Chief Financial Officer of Searefco to be temporarily in charge of operating the Company from July 4, 2022 according to BOD's Decision No. 022/QĐ/HĐQT/SRF/22 dated July 4, 2022.
- Appointed Mr. Vũ Xuân Thức to hold the position of CEO of Searefco from September 1, 2022 according to BOD's Resolution No. 012/QĐ/HĐQT/SRF/22 dated September 1, 2022.
- Dismissed Mr. Vương Trần Quốc Thanh from the position of Chief Accountant of Searefco from September 12, 2022 according to BOD's Decision No. 026/QĐ/HĐQT/SRF/22 dated September 12, 2022.
- Appointed Mr. Đinh Ngọc Triển to hold the position of Chief Accountant of Searefco from September 12, 2022 according to BOD's Decision No. 027/QĐ/HĐQT/SRF/22 dated September 12, 2022.
- Dismissed Mr. Phạm Ngọc Sơn from the position of Deputy General Director of Searefco from December 22, 2022 according to BOD's Decision No. 035/QĐ/HĐQT/SRF/22 dated December 22, 2022.
- Dismissed Mr. Huỳnh Khôi from the position of Deputy General Director of Searefco from December 22, 2022 according to BOD's Decision No. 036/QĐ/HĐQT/SRF/22 dated December 22, 2022.
- Dismissed Mr. Phan Thành Long from the position of Chief Financial Officer of Searefco from December 31, 2022 according to BOD's Decision No. 041/QĐ/HĐQT/SRF/22 dated December 31, 2022.

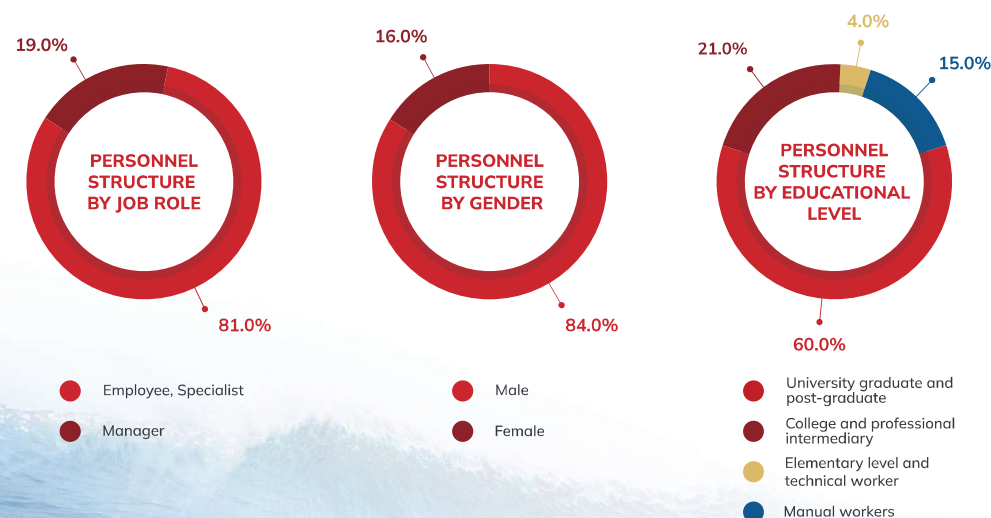
### 2.4. Personnel restructuring and policy changes applicable to the employees

As of 12/31/2022, the total number of employees in the Company was 521 people with the specific structure as follows:

ITEM	QUANTITY	PERCENTAGE(%)
<b>Total number of employees</b>	<b>521</b>	<b>100 %</b>
<b>Educational level</b>	<b>521</b>	<b>100 %</b>
University graduate and post-graduate	314	60 %
College and professional intermediary	109	21 %
Elementary level and technical worker*	21	4 %
Manual workers**	77	15 %
<b>Gender</b>	<b>521</b>	<b>100 %</b>
Male	436	84 %
Female	85	16 %
<b>Job role</b>	<b>521</b>	<b>100 %</b>
Employee, Specialist	424	81 %
Manager	97	19 %
<b>Annual per capita income (million VND/month)</b>	<b>18.8</b>	
<b>Average seniority (year)</b>	<b>5</b>	
<b>Average age</b>	<b>35</b>	

(\*) Elementary level and technical worker: Workers with short-term vocational training certificates.

(\*\*) Manual workers: Workers without vocational training certificates.





## BUILDING A GROWTH ENVIRONMENT

By focusing on the people, we put an emphasis on building a working environment where our employees may develop not only their career path but also their people skills.

One Searefico spirit respects the diversity of existing human resources while inheriting and promoting previous generations' good values. This creates a great internal force in a united collective.

Recognizing that healthy workforce means healthy business. The company focuses on fitness and sports activities. A sport day as a part of series of activities to celebrate Searefico's Day was held with the participation of more than 200 athletes (nearly 40% of the total number of employees).

In 2022, Searefico received the award as Top 100 Best Places to Work in Vietnam and was honoured for the first time in the Top 100 Best Places to Work in Asia, the fruit of our efforts in consistent compliance with the policies and activities for employees.

## RECRUITING CANDIDATES FOR THE FUTURE

LIVES KINDLY - WORK HARDLY, an important criterion to evaluate the suitability of candidates applying for positions at the Company, as well as the potential for future development. At Searefico, a job is not only performed for income, but also for personal development.

Internal recruitment activities are prioritized, encouraging employees to change positions; thereby ensuring work progress as well as providing many career choices for development. Simultaneously, the Human Resources Department closely follows the Company's strategy and operational plan to actively build external candidate data sources, leveraging the power of the online platform to attract talent.

The company focuses on building an employer brand in line with its human resource plan, such as: cooperating with universities in training human resources with skills - knowledge - good attitudes; organize internship programs; invest in communication and recruitment websites; Notably, the company's LinkedIn page has grown by more than 110% in the number of followers in 2022.

## HUMAN RESOURCE DEVELOPMENT PLANNING

Human resource planning and development is a long-term and continuous process. With the criterion "people go first, work follows", Searefico focuses on attracting and recruiting personnel by creating a working environment with appropriate remuneration policies. In addition, based on the assessment of human resource needs, the company develops a training and development plan for employees with the necessary competencies and skills for the present and the future to meet the development business plan, helping to increase the company's competitiveness in the labor market, improve employee performance, increase profits and growth.

In order to encourage employees to be proactive in learning and developing, the company also focuses on building a positive learning culture in the organization, through internal training activities, knowledge sharing sessions, such as Lunch and Learn, reading culture sharing sessions, the program "Breakfast with Chairman".... with positive reception from staff.

## SALARY, REWARD, AND WELFARE POLICY

By being consistent to build a salary, reward and welfare policy that is fair, transparent, flexible and competitive to attract and retain talent, we have made the following efforts:

- Make salary payments in compliance with our commitments to the employees. The average income in 2022 is 18.8 million VND/month, slightly up over that in 2021.
- The reward policy is diversely designed and widely communicated to improve team and individual performance and productivity.
- We properly maintain our welfare policy for the employees and their families (including such benefits as accident Insurance, comprehensive health insurance; International Children's Day gifts; 60-minute early leave on holidays), providing the employees with the peace of mind to work and dedicate themselves.



### 3. Summary of Financial Situation of SRF Group



#### 3.1. Financial Situation

Indicator	2022	2021	%2022/2021
Total asset	1,731	1,853	93%
Net revenue	1,186	930	127%
Operating income	(122)	33	-
Other income	(5)	5	-
Earnings before taxes	(127)	38	-
Earnings after taxes	(141)	34	-
Dividend payout/charter capital rate (%)	0%	5%	


**27.4%**  
 SEAREFICO'S REVENUE  
 INCREASED BY 27.4%  
 COMPARED TO 2021

Real estate market has faced a year with many difficulties and unstable fluctuations, such as tight monetary policy, inflationary pressure, and the issue with repayment of matured bonds, which have blocked channels for capital mobilization and affected implementation progress of projects and repayments to Contractors, etc., Searefico's revenue still increased by 27.4% over that in 2021 thanks to our efforts in implementing the projects on schedule and speeding up the payment schedule.


**178 billion VND**  
 CASH INCREASED  
 BY 178 BILLION VND

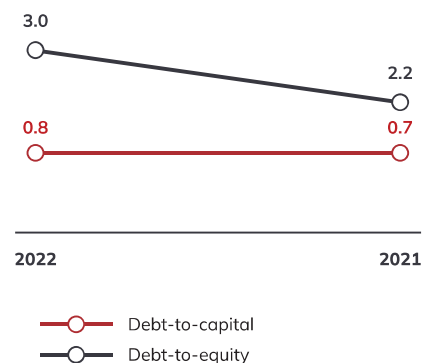
During the year, as Searefico focused on resolving the backlog from previous years, conducting an inventory assessment, re-evaluating the receivables, and making provisions for bad debts following the regulations. This is the first year that Group has no profit and suffers from a loss after taxes of 141 billion VND. However, **Owner's equity is still preserved**. Total assets of the Group decreased by only 7% over that in previous year while our cash increased by 178 billion VND and inventories decreased by 54 billion VND. On the other hand, operating activities of office of the Parent Company gained a profit before taxes of 58 billion VND.



## 3.2. Major financial indicators

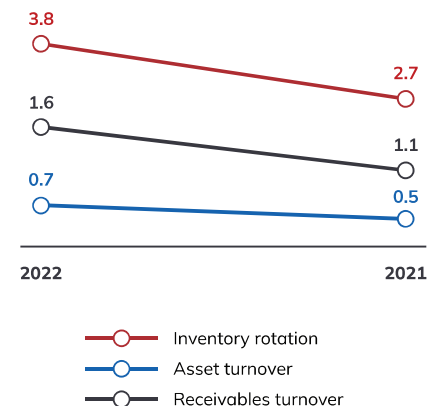
INDICATOR	UNIT	2022	2021
<b>Solvency indicators</b>			
Current ratio	Times	1.1	1.1
Quick ratio	Times	0.8	0.8
<b>Capital structure indicators</b>			
Debt-to-capital ratio	Times	0.8	0.7
Debt-to-equity ratio	Times	3.0	2.2
<b>Operating capacity indicators</b>			
Receivables turnover	Cycle	1.6	1.1
Inventory rotation	Cycle	3.8	2.7
Asset turnover	Cycle	0.7	0.5
<b>Profitability indicators</b>			
Operating income/ Net revenue	%	(10.3)	3.5
Earnings after tax/ Net revenue	%	(11.9)	3.7
Return on equity (ROE)	%	(28.2)	6.2
Return on assets (ROA)	%	(7.9)	1.8

## CAPITAL STRUCTURE



In response to tightened credit policy, we have proven our qualification and credibility to credit institutions. In 2022, our debt-to-capital and debt-to-equity ratios were 0.8 and 3.0, respectively.

## OPERATIONAL CAPACITY



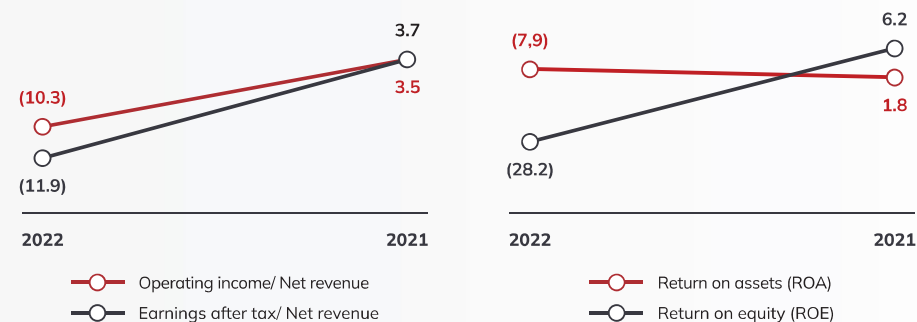
By effectively resolving the inventory, promoting the collection of debts, and increasing receivables turnover by 0.5 cycles on average, inventory turnover ratio increased by 1.1 cycles over that in previous year. Asset turnover ratio also increased by 0.5 cycle over that in 2021, to 0.7 cycle in 2022.

## SHORT-TERM SOLVENCY



Though facing a lot of difficulties, we took the initiative in increasing our cash flows by the end of 2022, thereby ensuring the liquidity and financial balance, maintaining the liquidity ratio of 1.1 and quick ratio at 0.8.

## PROFITABILITY



Since this is the first year that we have no profit, so our profitability ratios are on the negative side. In 2023, Searefico will continue with a new cycle of success when backlogged issues have been resolved and BOM takes measures to strengthen risk management practices and promote our internal forces and adaptability to market fluctuations.



#### 4. Shareholder structure and equity changes

As of December 31, 2022, the number of shares in the Company was as follows:

Number of shares issued and listed:

**35,566,780** shares

Number of shares outstanding:

**33,786,780** shares

Number of treasury shares:

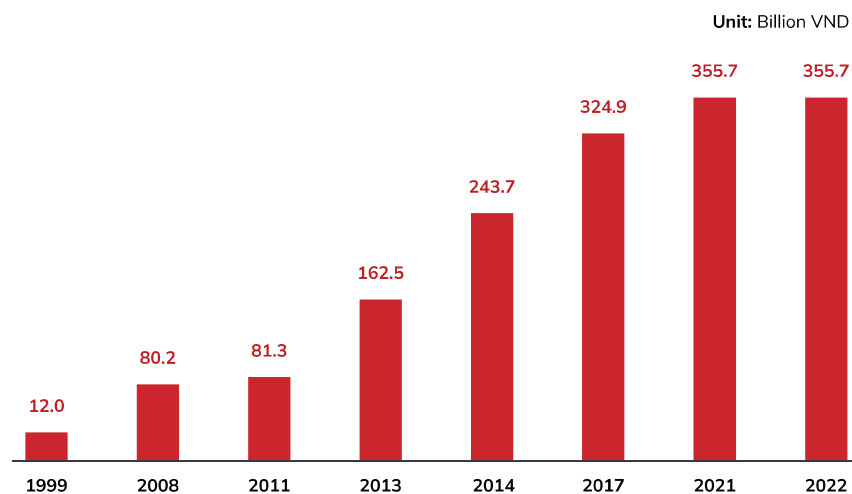
**1,780,000** shares

Par value of the share:

**10,000** VND

##### Changes of the equity

Since the Company has operated as a Joint Stock Company, it experienced the capital raising process as follows:



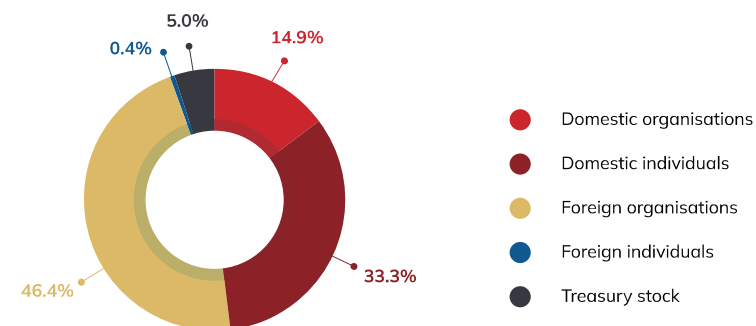
The charter capital of the Company is 355.7 billion VND in 2022, up by 30 times over that at the end of 1999.

#### Treasury share transactions:

There is no treasury share purchase or sale transaction in 2022.

Category	Domestic shareholders		Foreign shareholders		Total	
	Number of shares	%CC	Number of shares	%CC	Number of shares	%CC
Shareholders with over 5% shares	6,424,471	18.1%	16,059,456	45.2%	22,483,927	63.2%
Shareholders owning from 1% to 5% shares	5,081,676	14.3%	-	-	5,081,676	14.3%
Shareholders owning below 1% shares	5,648,626	15.9%	572,751	1.6%	6,221,377	17.5%
Treasury shares	1,780,000	5.0%	-	-	1,780,000	5.0%
<b>Total</b>	<b>18,934,773</b>	<b>53.2%</b>	<b>16,632,207</b>	<b>46.8%</b>	<b>35,566,980</b>	<b>100.0%</b>

#### Shareholder structure by the type of ownership



#### List of strategic and major shareholders

(in accordance with the list of shareholders confirmed on February 21, 2023)

Major shareholders	Number of shares	Ownership ratio (%)
Taisei Oncho Co., Ltd	8,909,456	25.05%
Sanyo Vietnam Engineering & Development Co., Ltd.	7,150,000	20.10%
Vietnam Seaproducts Joint Stock Corporation	4,567,200	12.84%
Mr. Nguyễn Hữu Thịnh	1,515,258	4.49%
Ms. Nguyễn Thị Hồng (*)	1,857,271	5.50%

Note: (\*) Ms. Nguyễn Thị Hồng is a related person of Mr. Nguyễn Hữu Thịnh - a non-executive member of the BOD.





# Section 3

## The Management Report

SEAREFICO

The art of surfing is a blend of human strength and the beauty and power of nature. Nevertheless, strength is not enough to adapt and survive, but it also requires technique, awareness of even the smallest change, and a warm heart that always urges the body to act, challenge, persistently pursue and conquer the dreams.

Changing to adapt, without sacrificing any core values and goals, has been the guideline in all activities of Searefico in the past year.





## 1. BUSINESS RESULT EVALUATION


**27.4%**  
 REALIZED REVENUE  
 INCREASE 27.4%  
 COMPARED TO 2021

To survive and develop stably in "new normal" era, overcome crises, maintain the values, and take advantage of opportunities in adversity to make breakthroughs, the BOM and subsidiaries of Searefco have proactively developed comprehensive solutions to respond to the crisis, including those operational strategy, finance, optimal cost control, personnel restructuring, and maintenance of promotion of communication activities.

In 2022, though contract sales failed to meet the plan and operating activities generated no profit due to backlogs, realized revenue still increased by 27.4% over that in 2021. This is expected to rise in 2023 and profit will reach the expected level.

Besides, we continue to strengthen our position in segments with great potential for development such as smart warehouses, supply of FM-certified PIR panels, EPC general contractors for factories, etc. to prepare for outstanding growth when the market becomes stabilised after the pandemic, China abandons its Zero Covid policy and Russia-Ukraine ends.

## Regarding M&E Works


**1,460** Billion  
 VND  
 SIGNED CONTRACT VALUE  
 BACKLOG TO 2023

Facing the congestion of capital mobilization channels for project implementation, Searefco E&C and Searee have changed the business strategy by focusing its resources on projects with short progress projects with good liquidity and legal guarantee.

With its competence to carry out smart warehouse projects, Searefco won the contract for Transimex commercial warehouse project (the largest smart warehouse in Vietnam) in 2022.



BIDDING WON

**Transimex**  
commercial  
warehouse



Regarding to industrial refrigeration

➤ **310** Billion VND  
SIGNED CONTRACT VALUE  
BACKLOG TO 2023



Though the investment in seafood factories slowed down in 2022, Arico has affirmed its position as one of the leading companies in the field of industrial refrigeration with contract sales of over 310 billion VND to be realized in 2023.

Typical projects awarded to Arico in 2022: Minh Phat Seafood Processing Factory; LC Foods refrigeration system, LAI Transimex warehouse, etc.

Regarding to the production of green and energy-saving materials

➤ **50%**  
REPEAT CUSTOMER RATE



Regarding green construction materials, Panel products of Greenpan also suffered from negative impacts in the real estate sector in 2022; however, thanks to its strength in advanced production technology and superior quality products, as well as its focus on customer services, Greenpan achieved a repeat customer rate of over 50%.

We are set to maintain Searefco's renewable energy segment in the right direction for long-term development. The potential of rooftop solar power projects is still quite significant in the upcoming years. Phoenix is actively looking for projects in 2023 to create breakthrough development.

1.1. 2022 business plan

Unit: billion VND

Indicator	2022 Plan	Implementation in 2022		Implementation in 2021	
		Value	%/ 2022	Value	%2022/2021
Signed contract value	2,000	930	46.5%	2,323	(60.0%)
Revenue	1,800	1,186	65.9%	930	27.4%
Earnings after taxes	50	(141)	-	34	-

With fluctuations in the real estate market and financial difficulties that investors are facing, in 2022, contract sales of the Group only reached 930 billion VND, equivalent to 46.5% of the plan and down by approx. 60% over that in 2021. Actual revenue reached 1,186 billion VND, equivalent to 65.9% of the plan and up by 27.4% over that in previous year.

Earning target was also affected while Earnings after taxes was negative 141 billion VND, partially because revenue failed to meet the plan and the Company set aside a required provision for bad debts, management of backlogs, and revaluation of receivables. All of these present the year 2023 with a different mind-set, creating the foundation for sustainable development in the future.





## 1.2. Outstanding achievements and activities in 2022

After overcoming the adverse impacts in 2022 with strong determination, the Company has made proud achievements with prestigious domestic and international awards.

### a. Awards and Outstanding achievements in 2022

Searefeco puts people at the center and creates a friendly working environment where employees can share their knowledge and develop their careers. Searefeco is proud to be honoured as:



Top 500 Largest Private Enterprises in Vietnam



Top 5 Most Reputable M&E Contractors in 2022 by Vietnam Report and Vietnamnet.



Top 100 Best Companies to Work in Vietnam 2022, by Anphabe Career Community Network and Intage, a market research company; Top 2 Best Places to Work in the Material Industry in 2022.



The Best Companies to Work in Asia/ HR Asia Awards, by the leading HR Asia Magazine (HR Asia).



The IR Awards 2022 program honors Searefeco as one of the enterprises that have well performed the obligation to disclose information on the stock market.



Many consecutive years recorded in the category of Top 5 Excellence Annual Reports (small cap group)

Searefeco E&C was issued with Certificate of Competency Class II as a pre-condition for applying for Certificate of Competency Class I. This is proof that Searefeco E&C's competencies in design, M&E and construction activities have been increasingly strengthened and its domestic and international competitiveness has been improved.



Through the investments in the infrastructure, technology, process standardisation, personnel recruitment and training, Greenpan has achieved the following achievements:



Greenpan PIR panel was certified with BS EN 14509:2013 standard in 2022 by CSI Italy.



Greenpan was honoured as a "Fast-Growing Enterprise" at the Asia Pacific Enterprise Awards (APEA) 2022 in the context of a challenging economy.





## b. Outstanding activities

Consistently follow our motto, "Lives Kindly - Works Hardly - Endows Legacy"

- As a tribute to past values and respect to the legacy, for the first time in 26 years since the date when Searee was merged into Searefico, the former of Searefico, we have organized a number of activities of "Repaying the Favour". BOD made a decision to recognize October 26 as the Company's traditional day ("Searefico's Day"). A series of cultural, artistic and sports activities were organized, notably including Searefico Sports Festival (October 9, 2022) at Viettel Stadium and the Celebration of the Furniture Placing Art (October 26, 2022) at REX HOTEL.

### Business ethics as the foundation for social and public responsibility

- The leaders become the role model to inspire and lead corporate culture (Searefico is one of the first 10 enterprises to meet the Vietnamese business culture standard). There were many highlights from Searefico executive team, including the Board of Directors and Board of Management, in participating in the development of Vietnamese Business Culture Criteria.
- "Flower of Knowledge" community project was a gift that Searefico tribute to Dale Carnegie Vietnam in "The Garden Symphony" program which distributed books to students that love reading and are eager to learn.
- "Donate blood to save life" is the meaningful message of Searefico's annual humanitarian blood donation movement. In 2022, Searefico further promoted and actively registered more employees with the Hematology Center for more sessions of blood donation over previous years.

### Typical projects in Vietnam

- Commenced the construction of Betalactam Factory that meets global JAPAN/EU-GMP standards. This is the world's most demanding project in terms of quality, safety, and health and environment management. The project is operated by Hau Giang Pharmaceutical Joint Stock Company (DHG).
- Won the bid for the largest smart cold storage project in Long An Province. The project is invested by Transimex JSC.





## 2. FINANCIAL SITUATION

### 2.1. Assets

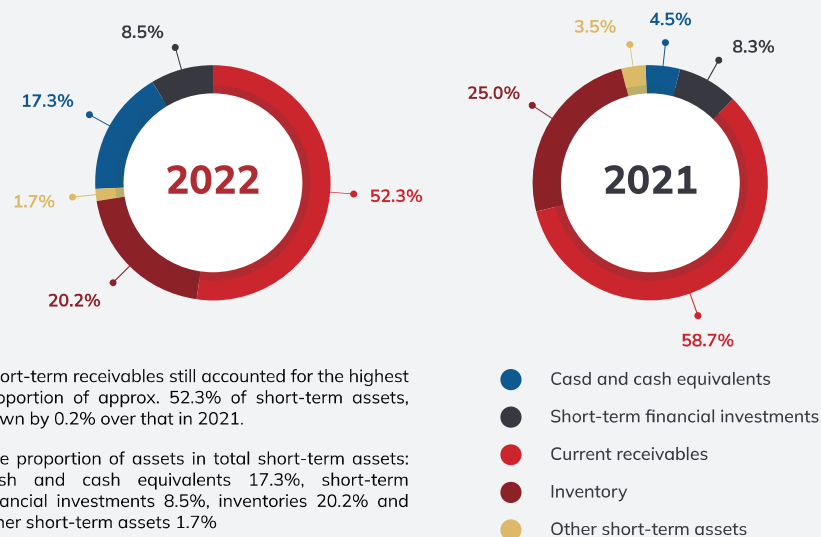
Unit: Billion VND

Indicator	2022	2021	%2022/2021
<b>Current assets</b>	<b>1,382</b>	<b>1,333</b>	<b>103.7%</b>
Cash and cash equivalents	239	61	394.7%
Short-term financial investments	118	110	106.9%
Current receivables	727	782	92.5%
Inventory	275	333	83.7%
Other short-term assets	23	46	50.4%
<b>Non-current assets</b>	<b>349</b>	<b>521</b>	<b>67.0%</b>
<b>Total asset</b>	<b>1,731</b>	<b>1,853</b>	<b>93.0%</b>

By the end of 2022, total assets reached 1,731 billion VND, down 7% over that in 2021. However, asset quality improved, especially for short-term assets. Short-term assets increased by 3.7%, mainly due to the 2.9-times increase in cash over that by the end of 2021, while short-term receivables, inventories and other short-term assets decreased by 7.5%, 16.3%, 49.6%, respectively, which helped the Company ensure financial safety and maintain liquidity and high credit rating.



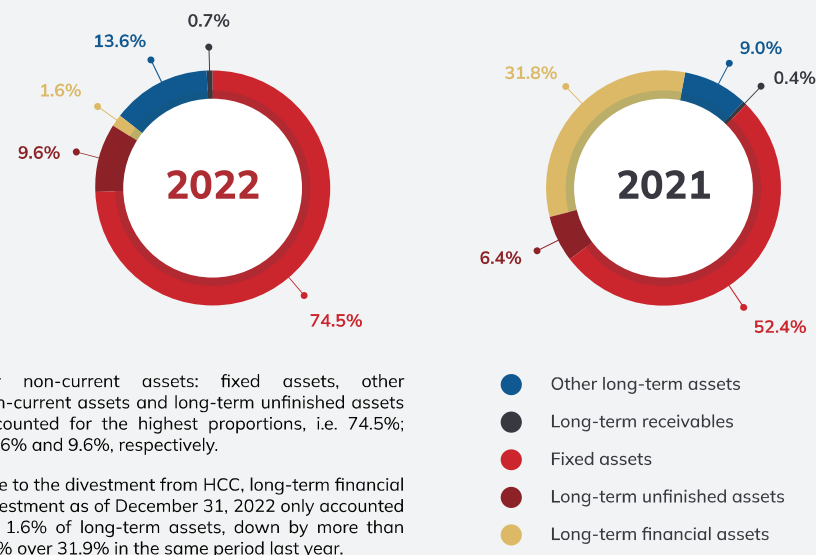
#### COMPOSITION OF CURRENT ASSETS



Short-term receivables still accounted for the highest proportion of approx. 52.3% of short-term assets, down by 0.2% over that in 2021.

The proportion of assets in total short-term assets: cash and cash equivalents 17.3%, short-term financial investments 8.5%, inventories 20.2% and other short-term assets 1.7%

#### COMPOSITION OF NON-CURRENT ASSETS



For non-current assets: fixed assets, other non-current assets and long-term unfinished assets accounted for the highest proportions, i.e. 74.5%; 13.6% and 9.6%, respectively.

Due to the divestment from HCC, long-term financial investment as of December 31, 2022 only accounted for 1.6% of long-term assets, down by more than 30% over 31.9% in the same period last year.



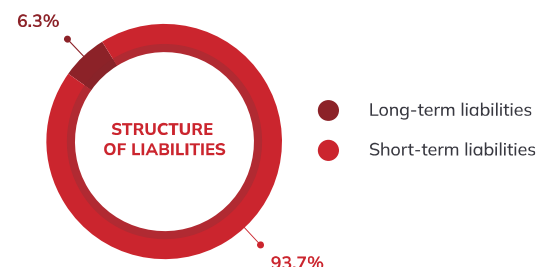
## 2.2. Equity

Unit: Billion VND

Indicator	2022	2021	%2022/2021
Liabilities payable	1,302	1,280	102%
Short-term liabilities	1,222	1,183	103%
Long-term liabilities	80	97	85%
Owner's equity	429	574	75%
<b>Total equity</b>	<b>1,731</b>	<b>1,855</b>	<b>93%</b>

By the end of 2022, total liabilities of the Company were 1,302 billion VND, accounting for 75.2% of total capital, up by 6.2% over 69% of the previous year. However, short-term loans accounted for approx. 25% of total capital, down by 8% over 33% of the previous year. The Company took efforts to maintain its loan repayment schedule, increase its banking creditability, and maintain control over financial costs.

Regarding the structure of liabilities, short-term and long-term liabilities accounted for 93.7%, 6.3% of total liabilities, respectively.



## 2.3. Interest expense and loan interest

Indicator	Unit	2022	2021
Short-term borrowings	Billion VND	434.8	607.2
Long-term borrowings	Billion VND	76.3	90.6
Interest expenses	Billion VND	38.9	36.5

# 3.2%

THE RATIO OF INTEREST  
EXPENSE TO NET REVENUE

In 2022, the interest expense of the Company was 38.9 billion VND, increased by 2.4 billion VND over that in 2021. The ratio of interest expense to net revenue was 3.2%, down by 0.7% over that in 2021 (3.9%). Interest payment in 2021 was higher due to a 27.4% increase in revenue and a sudden increase in bank interest rates in the last months of 2022, though short-term loans decreased by 172 billion VND by the end over the beginning of the year.

## 3. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

- Under an increasingly competitive and volatile business market, we have continuously improved Searefico's organizational structure, personnel policy and management system to meet existing challenges while making positive contributions to the overall development of the industry.
- One of the major changes in 2022 was with the executive team when we recruited suitable personnel with high professional qualifications and experience from large corporations to strengthen our competitiveness and to compete and thrive in the future.
- In 2022, Searefico also made many improvements in our organizational structure, which helped increase our flexibility and adaptability and improve our operational efficiency. The decision to adjust our organizational structure in April 2022 helped increase our efficiency in internal management and communication and facilitated the implementation of our projects and works.
- The management has been improved regularly and effectively through the activities of our Restructuring project to improve and innovate the processes and works more effectively. Meanwhile, the application of management software has greatly supported our management practices.
- Recognizing that "People are the most valuable asset", Searefico has been focusing on developing our staff, not only on training and developing skills for employees, helping them improve their productivity and meet the requirements of more demanding jobs but also on human resource management policies to help increase employee satisfaction and retain talent. Specifically, the Personnel and Salary Committee has implemented the project on "evaluation and standardisation of document system and personnel management policy under Pure Holding model". The goal of this project is to strengthen the effectiveness of the corporate governance framework and ensure that personnel policies are well supported for the appointment, development, attraction and retention of talent.
- In addition, Searefico sets a sustainable development goal and conducts business activities that are socially and environmentally responsible, including sustainable use of resources, minimization of environmental impact and promotion of manufacturing innovation and improvement.
- With such efforts and commitments, Searefico is on track for sustainable development and actively contributes to the overall development of Vietnam while generating benefits to our shareholders, employees and customers.

## 4. FUTURE DEVELOPMENT PLAN

We continue to consider the technology development platform as the focus for future development plans. We carefully prepare our succession plan to ensure that our culture and internal resources are maintained, and to focus on improving the efficiency of core activities, complete Searefico's value chain through expanding the cooperation in many fields, and prioritize the development of environmentally friendly products.

Particularly in the upcoming years, we will focus on promoting good corporate governance, improving the risk management framework to guide our risk-based decisions, promoting the transparency in our activities and disclosure, and maximizing the benefits for shareholders and investors.

## 5. BOM'S EXPLANATIONS FOR THE AUDITING OPINIONS

Not available in 2022



## Section 4

# Evaluation by the Board of Directors on the Operation of the Company

SEAREFICO

No one dares to actively confront the nature without any preparation. A talented surfer knows very well that riding the waves is more than just grabbing a board and throwing himself out into the sea. Knowledge, experience, vision, and patience in waiting for the right opportunity to conquer the wave are the prerequisites to protect oneself from the unpredictable ferocity, and to bring one to touch the emotions before the amazing beauty of nature.

This is also true in the marketplace. To survive and affirm their position, each business needs solid preparation, and while slowing down is not necessarily a loss, that's an opportunity for the leaders to learn how to use the invariable to observe the variable and then rise strongly to capture the opportunity.





## 1. GENERAL ASSESSMENT BY THE BOARD OF DIRECTORS

After two years of suffering from adverse impacts of the Covid pandemic, in 2022, the global economy continued experiencing many fluctuations due to China's zero Covid policy and the Russia-Ukraine conflict. There was no exception for Vietnam's economy as it was affected by fluctuations in the global and domestic economies. Credit restriction policy for high-risk areas, the downturned corporate bond market, and the pressure from rising inflation and interest rates made it difficult for investors to raise capital to continue their investments, carry out previous projects and commence new ones. Facing market difficulties and challenges, the qualities of flexibility, adaptability, bravery, integrity and transparency that are known as the core values of Searefco have helped the Company survive and overcome the crisis, keep maintain our values, and take advantage of opportunities in adversity to make breakthroughs.

BOD has always stood by and accompanied BOM to respond to unpredictable market fluctuations and improve our operational efficiency. Many solutions have been taken, such as optimizing operating costs, streamlining and restructuring the management organization, improving governance efficiency through projects led by the Board of Directors such as SRP, KMP, and SDP.

During our history of establishment and development, 2022 is the first year that we have reported a loss. This result was mainly due to our efforts in dealing with inventories, re-evaluation of receivables, and required provision for bad debts to ensure long-term financial health and information disclosure transparency. In general, however, our business activities are improving with labour productivity nearly doubled over that in previous years.

With our efforts to overcome difficulties and challenges, the Company made remarkable achievements in 2022:

- Top 100 Vietnam Best Companies To Work,
- Best Companies to Work in Asia 2022,
- Top 500 Largest Private Enterprises in Vietnam (VNR500);
- Top 5 Excellence Annual Reports (Small Caps Category);
- Top 10 Enterprises with Excellent Business Culture in Vietnam.

As well as many rewards and merit certificates as a token for our positive contributions to the community;

## 1.1. Evaluation of business activities of the Company

Unit: Billion VND

Indicator	2022 Plan	Implementation in 2022	Implementation/ Plan
Signed contract value	2,000	930	46.5%
Revenue	1,800	1,186	65.9%
Earning after taxes of Parent Company	120	(21.2)	-
Consolidated earnings after taxes	50	(141)	-

- With the instability of the real estate market in 2022, the Group failed to achieve the expected target. This is also the first year in our history of 26 years of construction and development that the Company and the Parent Company have reported a loss. However, the Group's revenue grew by 27.4% YoY; the proportion of cash flows at the end of the year grew by 294% over that at the beginning of the year; inventories and receivables decreased by 16% and 7.5%, respectively over those at the beginning of the year.
- The Parent Company promptly restructured its finances, divested its investment from Thua Thien Hue Construction Joint Stock Company, increased its cash ratio, and secured the Company's financial balance to generate profit.
- It is expected that our production and business activities will continue to be maintained thanks to significant contract sales carried over in 2023 and positive news from the IZ factory, smart warehouse, and logistic projects.

## 1.2. Assessment of operations of the Board of Management

- BOM has made every effort to implement the guidelines of the BOD to flexibly adapt to volatile fluctuations of the market. With tradition of perseverance, resilience, and insistence in overcoming difficulties, BOM has drastically applied integrated solutions in risk management, financial management, cost control, and personnel restructuring. These measures helped the Group balance its cash flow, stabilize the production and business activities and make breakthroughs by winning significant contracts for smart warehouse projects.
- BOM promptly set up an overall management system to ensure smooth operation of integrated solutions through the mechanism of action planning and control of implementation results.
- BOM actively supported the subsidiaries to control and restructure their loans, optimize the inventories, increased liquidity through strict control over revenue and expenditure, reduced receivables, and maintained control over expenses and fees within the approved budget.
- BOM planned support tools in upgrading HR and accounting software and gradually deployed them throughout the system.
- BOM actively coordinated in carrying out KMP, SDP, and SRP projects led by BOD in accordance with the requirements and schedule.

## 2. RECOMMENDATIONS FOR IMPROVEMENT

- BOM should speed up the completion of a uniform management system throughout the Group by streamlining the governance under the Pure Holding model.
- Develop and update the management reporting system in a regular and timely manner, from subsidiaries to the Parent Company, with respect to cash flow, inventory, liabilities, project implementation progress, and budget control.
- Establish a unified information technology management method throughout the Group to ensure the integrity and security of information system under all circumstances.
- Develop personnel management policies and regime and set up career development roadmap to adapt to new circumstances and the operating model of the Company.
- BOM needs to complete the risk management framework of the Company and its subsidiaries, strengthen and enhance the quality and efficiency of the internal control system, and organize continuous and periodic communication about business goals, Company culture, and risk management system to the whole staff.

### 3. PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS



#### 3.1. Short-term plans

- Regain the momentum of growth in revenue and profit. 2023 plan: Contract sales of 1,500 billion VND, the revenue of 1,700 billion VND and earnings after taxes of 32 billion VND; focus the Company's resources on projects in the processing industry and those with high technology content and fast implementation time to optimize the cash flows and secure the profits.
- Permanently resolve backlogged issues; continue the settlement and collection of doubtful debts permanently; enforce centralized management of cash flows and regular balancing of inventories to ensure the financial health of the whole Group; continue with personnel restructuring plan to improve labour productivity and streamline the management system under Pure Holding model.
- Focus on organisational development activities; improve the management information system and deploy a flexible Cloud Base management reporting software system to help BOM and BOD to make quick and accurate decisions; Management By Objective with performance management and measurement tools focuses more on results than processes. streamline the management system and deploy digital applications to improve labour productivity.
- Expand the shareholder structure and investment portfolio. Seek for suitable strategic partners, raise the charter capital to meet investment and M&A needs, increase the proportion of production, and complete the business ecosystem of Searefco Group.
- Improve the risk management and internal control system under the 3-line-of-defence model; standardize the processes, strengthen compliance controls, and manage risks in all operations; provide early warning of risks in volatile fluctuations of the market.

#### 3.2. Long-term orientation

- Improve operational efficiency and governance practices in accordance with international standards and good practices; improve professional qualifications and leadership capacity to promote the development.
- Develop business potential, seek opportunities to expand Searefco Group's ecosystem through business cooperation, M&A, joint venture, and association activities.
- Continue shifting the production structure towards increasing the proportion of production value to 50% of the Group's revenue; increase technology content in new products and new materials.
- Re-position the brand; promote the Company's image and values by applying the results of (SRP Phase 2), SDP, KMP, PR activities and promotion of new brand image.
- Improve the efficiency through organizational redesign and improvement of work instructions/ processes, application of digital technology in operational management.
- Develop corporate culture to further promote Searefco's core values and standardize our activities related to the first and second layers of culture. Built a brand identity system under the Pure Holding model and publish the Corporate Culture Guide and Code of Conduct of the Company.
- Develop investor relations, be proactive and transparent in information disclosure, and diversify the channels for disclosing information to shareholders and ensuring the rights and equality for investors/ shareholders.
- Develop employer brand with the goal of maintaining our position in the Top 100 Best Places to Work in Vietnam; build a learning organization and promote employee engagement through a sharing and support culture; develop human resources for a succession plan; improve our salary and benefit policy to be more competitive; define a specific career development path so that the Company always ranks among top addresses searched by job seekers in the industry.





# Section 5

## Corporate Governance

SEAREFICO

Man may be small before the nature, but his desire to conquer the nature is always burning and very instinctive.

The day a surfer decides to ride the wave is his brave day because none could tell exactly what risks will happen next. This is true for the past 365 days of Searefiers as those were brave days when the whole team united together to take advantage of even the smallest opportunity during extremely stressful period, and full make use of their potential when favorable conditions allowed.



## 1. BOARD OF DIRECTORS

### 1.1. Members and structure of the Board of Directors

BOD of the Company has 6 members, including 2 independent member and 3 non-executive members. As of February 25, 2022, the General Meeting of Shareholders elected Mr. Phạm Kyle Anh Tuấn to hold the position of an independent member of the BOD in replacement of Mr. Lee Men Leng.

No.	Full name	Position	Nationality	Ownership ratio
1	Lê Tấn Phước	Chairman of the BOD	Vietnamese	2.66%
2	Nguyễn Hữu Thịnh	Non-Executive Member of the BOD	Vietnamese	4.26%
3	Ryota Fukuda	Non-Executive Member of the BOD	Japanese	0%
4	Nishi Masayuki	Non-Executive Member of the BOD	Japanese	0%
5	Lê Quang Phúc	Independent member of the BOD	Vietnamese	0%
6	Phạm Kyle Anh Tuấn	Independent member of the BOD (Additionally elected on 25/02/2022)	Australian	0%
7	Lee Men Leng	Non-Executive Member of the BOD (Dismissed from 25/02/2022)	Malaysian	0%

### 1.2. Sub-committees of the Board of Directors

#### Audit Committee

No.	Full name	Position	Start date
1	Mr. Phạm Kyle Anh Tuấn	Chairman of the AC	09/03/2022
2	Mr. Nguyễn Hữu Thịnh	Member of the AC	09/03/2022

#### Operations of the Audit Committee:

The Audit Committee is a specialized body directly under the Board of Directors and has the following functions: Independently and objectively supervise the truthfulness of the Company's quarterly, bi-annual and annual financial statements; monitor the Company's compliance with legal regulations; monitor the effectiveness and efficiency of internal policies, regulations and processes; review the implementation of strategic goals, operational objectives, and operational plans of the Company; give recommendations on measures to resolve and overcome errors, as well as measures to improve the internal control and corporate governance system in order to improve the effectiveness of risk prevention, detection and resolution practices; perform other tasks in accordance with the Regulations on operation of the Audit Committee to contribute to improving operating performance of the Company

### Human Resources and Salary & Bonus Committee

No.	Full name	Position	Start date
1	Mr. Lê Quang Phúc	Chairman of HRSBC	15/12/2021
2	Mr. Nguyễn Hữu Thịnh	Member of HRSBC	15/12/2021

#### Activities of the Human Resources and Salary and Bonus Committee

Human Resources and Salary and Bonus Committee is a specialized body directly under the Board of Directors and has the following functions: Develop policies on human resource management, salary and bonus in compliance with the directions set out by the Board of Directors; Support the Board of Directors of subsidiaries to implement human resource strategies, including human resource planning, training, salary and bonus, remuneration, performance appraisal, and talent attraction and retention policies.

### Innovation and Organization Development Committee

No.	Full name	Position	Start date
1	Mr. Lê Tấn Phước	Chairman of the IODC	13/04/2022
2	Mr. Nishi Masayuki	Member of the IODC	13/04/2022

#### Operations of the Committee:

The Innovation and Organization Development Committee is a specialized body directly under the Board of Directors and has the following functions: Plan, implement and control investment strategies to develop the operations and expand the market in relevant industries; Develop the policies, give advice and opponency opinions on issues related to scientific research, technology development, new features for new products, research and improvement of old products, research and development of management tools and systems to optimize costs and increase operational efficiency.



### 1.3. Activities of BOD

Periodically, CEO reports on the Company's operations and upcoming plans for the BOD to monitor the results of the management and operation of the Company. Meetings of the BOD are held in either online or offline format and election votes on discussed matters are collected directly or via email.

In 2022, BOD held 12 meetings and issued Resolutions/Decisions. All of meetings of the BOD were attended by 100% of members of the BOD.

Details of Resolutions issued during the year are as follows:

No.	Resolution No.	Date	Content
1	001/NQ/SRF/HĐQT/22	17/01/2022	Collected shareholders' written opinions on the election of additional independent members of the BOD for 2022-2026 term
2	002/NQ/SRF/HĐQT/22	23/02/2022	Adopted the plan to hold the 2021 Annual General Meeting of Shareholders
3	003/NQ/SRF/HĐQT/22	09/03/2022	Established the Audit Committee
4	004/NQ/SRF/HĐQT/22	13/04/2022	Adopted the intention on deinvestment at a subsidiary for the staff of Searefico Group
5	005/NQ/SRF/HĐQT/22	13/04/2022	Adopted the plan to use capital divestment at HCC
6	006/NQ/SRF/HĐQT/22	13/04/2022	Established Science and Technology Committee
7	007/ NQ/SRF/HĐQT/22	11/07/2022	Selected an independent auditor for the fiscal year 2022 and held a bid for selection of an auditor for the fiscal year 2023-2025
8	008/ NQ/SRF/HĐQT/22	05/08/2022	Carried out the stock issuing plan for payment of dividends in 2021
9	009/ NQ/SRF/HĐQT/22	26/08/2022	Content of the meeting of the Board on 26/08/2022
10	012/ NQ/SRF/HĐQT/22	01/09/2022	Appointed Mr. Vũ Xuân Thức to hold the position of CEO of the Company
11	013/ NQ/SRF/HĐQT/22	01/09/2022	Terminated the authorization to perform transactions of the Company, the Company, branches and subsidiaries at banks for Ms. Nguyễn Thị Thanh Hường
12	014/ NQ/SRF/HĐQT/22	01/09/2022	Authorized Mr. Vũ Xuân Thức to perform transactions of the Company, branches and subsidiaries at banks
13	015/ NQ/SRF/HĐQT/22	05/11/2022	Approved the policy of changing the office location
14	016/ NQ/SRF/HĐQT/22	08/11/2022	Changed the plan to use the proceeds from divestment at HCC
15	017/ NQ/SRF/HĐQT/22	20/12/2022	Content of the meeting of the Board on 20/12/2022

Details of Decisions issued during the year are as follows:

No.	Decision No.	Date	Content
1	001/QĐ/SRF/HĐQT/22	17/01/2022	Made divestment at HCC
2	002/QĐ/SRF/HĐQT/22	21/01/2022	Approved the Letter of Approval and Contract for Masteri Center Point Project - B6. Heritage West Lake
3	002A/QĐ/SRF/HĐQT/22	28/01/2022	Paid bonus to the BOM from Bonus Fund for BOD and BOM in 2021
4	003/QĐ/SRF/HĐQT/22	18/02/2022	Extended the divestment period at HCC
5	003A/QĐ/SRF/HĐQT/22	15/03/2022	Published the Principle Agreement among the companies of Searefico Group
6	004/QĐ/SRF/HĐQT/22	25/03/2022	Appointed Mr. Huỳnh Khôi Bình to hold the position of Vice CEO of the Company
7	005/QĐ/SRF/HĐQT/22	25/03/2022	Pay allowance to Mr. Huỳnh Khôi Bình for holding the position of Vice CEO of the Company
8	006/QĐ/SRF/HĐQT/22	30/03/2022	Implemented the plan to use capital divestment at HCC
9	007/QĐ/SRF/HĐQT/22	02/04/2022	Assigning the representative of capital at Searefico E&C
10	007A/QĐ/SRF/HĐQT/22	04/04/2022	Adjusted the number of representative shares at Searefico E&C
11	008/QĐ/SRF/HĐQT/22	07/04/2022	Adopted the consolidated production and business plan in 2022.
12	009/QĐ/SRF/HĐQT/22	07/04/2022	Assigned the production and business and BSC plans in 2022
13	009a/QĐ/SRF/HĐQT/22	13/04/2022	Modified the organizational chart of Searefico
14	009A/QĐ/SRF/HĐQT/22	14/04/2022	Remuneration of Members of the BOD in 2022
15	009B/QĐ/SRF/HĐQT/22	14/04/2022	Adopted the intention on deinvestment at Searefico E&C for the staff of Searefico Group
16	009C/QĐ/SRF/HĐQT/22	14/04/2022	Adopted the intention on deinvestment at Greenpan for the staff of Searefico Group
17	009D/QĐ/SRF/HĐQT/22	18/04/2022	Adopted the intention on deinvestment at Arico for the staff of Searefico Group
18	10/QĐ/SRF/HĐQT/22	18/04/2022	Established the Knowledge Management Project ("KMP") Management Board
19	011/QĐ/SRF/HĐQT/22	18/04/2022	Established the SDPManagement Board
20	012/QĐ/SRF/HĐQT/22	18/04/2022	Established the Management Board for Phase 2 of the SRP2

No.	Decision No.	Date	Content
21	013/QĐ/SRF/HĐQT/22	11/05/2022	Added a member and changed the tasks of member of the SRP2 Committee
22	014/QĐ/SRF/HĐQT/22	27/05/2022	Adopted the plan on deinvestment at Searefco E&C for the staff of Searefco Group
23	015/QĐ/SRF/HĐQT/22	13/06/2022	Dismissed and added a member of Phase 2 SRP2 Committee
24	016/QĐ/SRF/HĐQT/22	20/06/2022	Dismissed and added a member of Knowledge Management Project ("KMP") Management Board
25	017/QĐ/SRF/HĐQT/22	20/06/2022	Added a member of Knowledge Management Project ("KMP") Management Board
26	018/QĐ/SRF/HĐQT/22	30/06/2022	Dismissed Mr. Nguyễn Châu Trần from the position of Head of Internal Audit Department of the Company
27	019/QĐ/SRF/HĐQT/22	30/06/2022	Appointed Ms. Huỳnh Như Phương to hold the position of Head of Internal Audit Department of the Company
28	020/QĐ/SRF/HĐQT/22	30/06/2022	Dismissed Mr. Nguyễn Quốc Cường from the position of Deputy General Director of the Company
29	021/QĐ/SRF/HĐQT/22	04/07/2022	Dismissed Ms. Nguyễn Thị Thanh Hương from the position of CEO of the Company
30	022/QĐ/SRF/HĐQT/22	04/07/2022	Appointed Mr. Phan Thành Long to temporarily manage the Company
31	022A/QĐ/SRF/HĐQT/22	04/07/2022	Assigned tasks to the Board of Management of the Company
32	022B/QĐ/SRF/HĐQT/22	04/07/2022	Appointed Ms. Nguyễn Thị Thanh Hương to hold the position as the advisor to the BOD and BOM
33	022C/QĐ/SRF/HĐQT/22	04/07/2022	Assigned tasks to Ms. Nguyễn Thị Thanh Hương
34	022D/QĐ/SRF/HĐQT/22	10/07/2022	Selected the incorporation date and traditional day of the Company
35	023/QĐ/SRF/HĐQT/22	11/07/2022	Established the Organizing Committee for Celebration of the Incorporation Date of the Company
36	024/QĐ/SRF/HĐQT/22	22/08/2022	Adopted the plan on collection of debts from Cocobay project
37	025/QĐ/SRF/HĐQT/22	22/08/2022	Approved the results of deinvestment at Searefco E&C and Searee and assigned the General Director of Searefco to continue the distribution of remaining unregistered shares.
38	025A/QĐ/SRF/HĐQT/22	26/08/2022	Approved of partners for sales of doubtful receivables

No.	Decision No.	Date	Content
39	026/QĐ/SRF/HĐQT/22	12/09/2022	Dismissed Mr. Vương Trần Quốc Thanh from the position of Chief Accountant of the Company
40	027/QĐ/SRF/HĐQT/22	12/09/2022	Appointed Mr. Đinh Ngọc Triển to hold the position of Chief Accountant of the Company
41	028/QĐ/SRF/HĐQT/22	14/09/2022	Issued the Regulations on information disclosure of the Company
42	029/QĐ/SRF/HĐQT/22	05/10/2022	Assigned Mr. Vũ Xuân Thúc to act on behalf of the Chairman of the BOD to direct the Celebration of Incorporation Day of the Company
43	030/QĐ/SRF/HĐQT/22	06/10/2022	Nullified Decision No. 022A/QĐ/SRF/HĐQT/22 dated July 04, 2022 on assignment of tasks to the Board of Management of the Company
44	031/QĐ/SRF/HĐQT/22	11/10/2022	Adjusted the schedule for issuance of shares for payment of dividends in 2021
45	032/QĐ/SRF/HĐQT/22	16/10/2022	Dismissed Mr. Võ Ngọc Hân from the position of Vice Head of SDP Committee and appointed Mr. Đặng Văn Phương to temporarily take charges of Mr. Võ Ngọc Hân's duties
46	033/QĐ/SRF/HĐQT/22	30/11/2022	Changed the Head and members of Phase 2 SRP2 Committee
47	034/QĐ/SRF/HĐQT/22	22/12/2022	Transactions with related persons
48	035/QĐ/SRF/HĐQT/22	22/12/2022	Mr. Phạm Ngọc Sơn retired from the position of Deputy General Director
49	036/QĐ/SRF/HĐQT/22	22/12/2022	Mr. Huỳnh Khôi Bình retired from the position of Deputy General Director
50	037/QĐ/SRF/HĐQT/22	22/12/2022	Assigned the representative of Searefco's capital in Seareal
51	038/QĐ/SRF/HĐQT/22	22/12/2022	Renamed Salary and Bonus and Organizational Development Committee
52	039/QĐ/SRF/HĐQT/22	22/12/2022	Renamed Science and Technology Committee
53	040/QĐ/SRF/HĐQT/22	22/12/2022	Paid allowance to the Chairman of Committees under the BOD
54	041/QĐ/SRF/HĐQT/22	31/12/2022	Dismissed Mr. Phan Thành Long from the position of Financial Director



## 1.4. Activities of independent members of the BOD

In 2022, BOD of the Company has 06 members, including 02 independent member and 03 non-executive members. Members of the BOD actively participate in strategic planning, compliance control, and monitoring activities of the CEO and the Board of Management to ensure the compliance with laws and internal regulations on corporate governance.

In this report, independent members of the BOD evaluated the operations of the BOD, activities taken by independent members, and results of monitoring the operations of the BOD and BOM in the fiscal year 2022 as follows:

### Evaluation of the supervision over the CEO and the Board of Management

In general, the BOD has done a good job of supervising the CEO, ensuring that the Company's activities are always under control, in compliance with appropriate strategic direction and actual situations.

Chairman of the BOD and certain members of the BOD frequently participated in meetings of the BOM and helped analyse and advise a number of issues within the BOM's competence to ensure optimal results for the Company.

The BOD also frequently reviewed and provided periodic and extraordinary reports of the CEO and discussed with the BOM on business, financial, and accounting information to have a better understanding of the Company's operations and provide timely directions to the BOM.

### General assessment of activities of the Board of Directors

The BOD carried out its activities in accordance with the operation plan of the Board of Directors in 2022, in compliance with the Company's Charter and the Internal Regulations on Corporate Governance; completed most of the programs and action matters of the BOD.

Meetings of the BOD were convened and carried out with specific schedules and careful preparation of documents. Meeting content was carefully discussed and evaluated by the members of the BOD to make the best decisions for the Company.

All members of the BOD have a high sense of responsibility and are cautious in performing their roles, rights and responsibilities.

The BOD regularly exchanged and discussed with the BOM to promptly support the BOD in the operation of the Company, and perform well the supervision and control of its operations.

The Chairman of the BOD frequently participated in the activities of building up corporate culture, internal communication and organizational development of the Company.

### General assessment of activities of independent members of the BOD

Together with other members of the BOD, independent members of the BOD participated in supervising, evaluating, and raising opinion on management activities and business plan of the BOD and BOM; developed the regulations and policies and suggested a number of management solutions to achieve the goals of the Company and protect the interests of the Company and shareholders. Independent members also directly exchanged and shared knowledge on corporate governance, risk management and finance and accounting with the BOM in the process of operating the Company.

In 2022, the Company established AC and HRSBC:

- BOD appointed an independent member of the BOD to hold the position of Chairman of the AC and 01 non-executive member of the BOD to participate in the Audit Committee. Together with AC and IA Department, Chairman of the AC evaluated and gave recommendations on risk management and internal control in compliance with operating situation of the Company.
- BOD appointed an independent member of the BOD to hold the position of Chairman of the HRSBC and 01 non-executive member of the BOD to participate in the HRSBC. Together with HRSBC, Chairman of the HRSBC oriented the development of human resource management and salary and bonus policies for Searefico Group; gave advice to the Chairman of the BOD on appointment, salary, and bonus for key senior officers of the Company during the year.

## 1.5. Corporate governance training

Members of the BOD always update their knowledge of corporate governance in compliance with best practices and provisions of applicable laws. Based on their functions, members of the BOD hold conferences to introduce and update new knowledge and orientations in relation to corporate governance to the BOM of the Company and Subsidiaries.

## 2. AUDIT COMMITTEE

The General Meeting of Shareholders on April 20, 2021 adopted the organizational, governance, and control structures of the Company, including General Meeting of Shareholders ("GMS"), the Board of Directors ("BOD") with Audit Committee ("AC") under the BOD and the Chief of Executive ("CEO"). These were crucial changes as part of the innovation of corporate governance practices to comply with provisions of the Law on Enterprises No. 59/2020/QH14, Decree No. 155/2020/ND-CP, and good practices for public companies.

On March 9, 2022, the BOD issued Resolution No. 003/NQ/SRF/HĐQT/22 establishing the AC under the BOD. The AC carries out its responsibilities in accordance with the Charter of the Audit Committee adopted on September 8, 2021 as well as other provisions of law.

### 2.1. Organizational structure and activities of the Audit Committee in 2022

#### Members of the Audit Committee

No.	Member of the AC	Job title	Start date
1	Mr. Phạm Kyle Anh Tuấn	Chairman of the AC	09/03/2022
2	Mr. Nguyễn Hữu Thịnh	Member of the AC	09/03/2022

#### Meetings of the Audit Committee

No.	Member of the AC	Job title	Sessions of participation	Ratio of participation	Voting ratio
1	Mr. Phạm Kyle Anh Tuấn	Chairman of the AC	2	100%	No matter to vote on
2	Mr. Nguyễn Hữu Thịnh	Member of the AC	2	100%	

### 2.2. Remuneration and operating expenses of the AC in 2022

Regarding the remuneration of the AC in 2022: specific information is presented in the BOD's Corporation Governance report. Members of the AC did not receive any other benefits or remuneration.

Operating expenses of the AC in 2022: comply with the internal charter and regulations of the Company.

### 2.3. Supervision activities over the BOD and CEO by the AC

The AC supervises the BOD's activities through meetings, discussions, resolutions issuance process and the Board of Management's ("BOM") activities through the execution of resolutions and the observance of the mechanism of decentralization between the BOD and CEO.

Supervision activities of the AC are conducted in a variety of ways through reporting and discussing with the Chief Finance Officer, Chief Accountant, Head of Internal Audit Department, Head of Risk Management & Compliance and the external auditor – PwC Vietnam Co., Ltd.

When carrying out its duties, the AC always works effectively with the BOD members, CEO, BOM members and appropriate managers. It also consistently receives support from the BOM.

## 2.4. Results of supervision by the AC



### ACTIVITIES OF THE BOD AND CEO

- At the BOD meeting, all significant topics were discussed in an open and democratic manner. Prior to issuing a resolution, each subject was carefully considered, completely debated, and decided upon. The BOD's resolutions were always carefully adhered to and executed by the CEO.
- The corporate governance person was in responsibility of monitoring, carrying out, and reporting on the BOD resolutions' execution.



### FINANCIAL STATEMENTS

- The AC agreed with the audit opinion that the financial statements ("FS") in 2022 was prepared and presented true and fair in accordance with Vietnamese Accounting Standards and current regulations after reviewing the quarterly, semi-annual, and annual FS of 2022 based on the audited report of the independent auditor.
- The Company has consistently applied accounting policies and principles throughout the fiscal year 2022 to determine accounting estimates from the prior accounting period. No sign of fraud or potential fraud risk has been identified in the FS. Changes in revenue, profitability or any significant items in the FS have been clarified by the BOM and the independent auditor and discussed with the AC.



### INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

According to monitoring activities, the AC discovered that the internal control and risk management system's three lines of defense model is being transformed and progressively finished by the BOD and BOM.

Under the AC's supervision, the Internal Audit Department assessed the Company and its subsidiaries' internal control and risk management system in 2022 in compliance with COSO standards with the following findings:

- Several key controls relating to financial and accounting system of the Company were not timely modified to reflect the Pure Holding development and operational model that the Company was currently adopting, which could have an impact on the management and governance activities of the Company.
- The management system, accounting software and budget management were inadequate for the Company's development-oriented management and administration requirements.



### CHECK THE COMPLIANCE WITH LEGAL REGULATIONS AND THE RESULTS OF REVIEWING RELATED PARTY TRANSACTIONS UNDER THE APPROVAL OF THE BOD OR THE GMS

- No significant non-compliance with legal regulations, regulatory requirements and internal regulations of the Company has been detected.
- There has not been any case of non-compliance in transactions between the Company and its related parties in accordance with the regulations under the approval authority of the BOD or the AMS



### INTERNAL AUDIT

- The AC assessed that internal audit has appropriate methodologies which are in line with leading practices and international internal audit standards, consistent with the provisions of law and guidelines on internal audit issued by the Ministry of Finance.
- The internal audit findings indicated that the audited subsidiaries continued to comply with processes. However, the key controls should be improved and updated to be compatible with the Company's current operational activities and future development objectives.



### INDEPENDENT AUDIT SERVICE

PwC has completed their tasks, fully performed their obligations under the audit contract signed with the Company, and met the expectation of the AC on key criteria such as:

- Ensure the reliability, truthfulness and quality of the audit report for the FS.
- Comply with the required deadline.
- Comply with professional regulations, ensure independence and objectivity of the audit opinions.



## 2.5. Recommendations of the AC

### The AC's Recommendations to the BOD

The BOD focuses on to establishing mechanism, allocating resources and supervising the following:

- Improve the effectiveness of the Company and its subsidiaries' internal control system.
- Strengthen the quality, quantity and capacity of middle-level and senior managers.
- Raise employee awareness of corporate culture development and risk management.
- Complete the Company and its subsidiaries' Risk management framework.

### The AC's Recommendations to the BOM

Complete the management system (organizational structure, regulations, processes, systems, etc.) in compliance with:

- Change in organizational structure, decentralization of management and administration of the Company must be based upon changes objectives, strategies and organizational size.
- Require risk management when applying the 3-line-of-defense model.
- Implement the accounting software system to meet the requirements of the Company and its subsidiaries on administration and management.

Organize periodic and continuous communications about business goals, Company culture, risk management and management system for all employees of the Company and its subsidiaries.

Maintain implementation and oversight of risk management activities across the Company and its subsidiaries in compliance with following principles:

- All departments should establish and maintain appropriate procedures to manage their operations and the risks identified during the operations.
- Risk management & Compliance department implements risk management for the whole Company based on the Company's strategy and risk appetite; synchronous and effective connection of risk management processes of line-of-defense 1 & 2; monitor and evaluate the compliance of specialized departments to assess the effectiveness of risk control and advice on the improvements.



## 3. TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOD AND AC

### 3.1. Remuneration and allowance of members of the BOD in 2022

No.	Full name	Job title	Remuneration of the BOD	Allowance (*)
1	Mr. Lê Tấn Phước	Chairman of the Board of Directors Chairman of the Research and Investment Development Committee	420,000,000	59,500,000
2	Mr. Nguyễn Hữu Thịnh	Non-Executive Member of the BOD	300,000,000	
3	Mr. Ryota Fukuda	Non-Executive Member of the BOD	300,000,000	
4	Mr. Nishi Masayuki	Non-Executive Member of the BOD	300,000,000	
5	Lê Quang Phúc	Independent member of the BOD Chairman of HRSBC	300,000,000	62,500,000
6	Mr. Phạm Kyle Anh Tuấn	Independent member of the BOD (Appointed on 25/02/2022) Chairman of AC	250,000,000	48,333,333
7	Lee Men Leng	Member of the BOD (Dismissed from 25/02/2022)	50,000,000	
Total			1,920,000,000	170,333,333

(\*) In addition to monthly remuneration for the BOD, the Chairman and Committees under the BOD are entitled to an allowance at the rate of 20% of monthly remuneration of members of the BOD.

### 3.2. Internal share transactions

No.	Person	Relationship with internal person	Number of shares held at the start of the period		Number of shares held at the end of the period		Reason of increase/decrease
			Number of shares	Ratio	Number of shares	Ratio	
1	Ms. Nguyễn Thị Oanh	Brother to Mr. Nguyễn Hữu Thịnh's wife - Member of the BOD	778,913	2.22%	0	0%	Sales of shares
2	Ms. Nguyễn Thị Hồng	Mr. Nguyễn Hữu Thịnh's wife - Member of the BOD	867,697	2.44%	2,367,697	6.66%	Buy shares

## 3.3. Transactions with related parties

Related party	Relationship	Content of the transaction	Transaction value 2022 (VND)
<b>Purchase of goods, services, and other transactions</b>			
Searefico E&C	Subsidiary	Purchase of construction services	72,110,309,032
		Purchase of other services	34,931,257
		Lendings	19,500,000,000
		Recover lendings	11,400,000,000
		Interest income	412,829,562
		Debt	60,478,358,320
		Repayment	37,449,977,887
		Interest expenses	2,427,334,133
		Other receivable	5,373,053,928
Searee	Subsidiary	Purchase of construction and other services	10,098,717,574
		Lendings	4,038,000,000
		Recover lendings	4,188,000,000
		Debt	11,607,500,000
		Repayment	1,987,000,000
		Interest expenses	63,881,893
Arico	Subsidiary	Lendings	22,000,000,000
		Debt	180,076,713
		Repayment	7,000,000,000
		Receipt of dividends	7,000,000,000
		Interest income	91,972,603
		Receipt of dividends	1,008,000,000
Greenpan	Subsidiary	Lendings	10,000,000,000
		Recover lendings	4,560,000,000
		Interest expenses	1,399,233
Phoenix	Subsidiary	Other income	597,809,379
Seareal	Subsidiary	Interest income	102,272,727
<b>Sales of goods and services</b>			
Searefico E&C	Subsidiary	Construction services	74,900,000
		Other services	4,706,544,411
Searee	Subsidiary	Other services	976,194,183
Arico	Subsidiary	Other services	2,672,616,808

Related party	Relationship	Content of the transaction	Transaction value 2022 (VND)
<b>Short-term receivables from customers</b>			
Searefico E&C	Subsidiary	Provision of other services	82,390,000
Arico	Subsidiary	Provision of other services	3,919,480,762
Phoenix	Subsidiary	Sales	10,041,509,390
<b>Advanced payments to short-term suppliers</b>			
Searee	Subsidiary	Construction services	701,630,100
Formtek	Related party	Construction services	200,999,662
<b>Other current receivables</b>			
Searefico E&C	Subsidiary	Others	9,498,702,352
Searee	Subsidiary	Receipt of dividends	406,383,446
Arico	Subsidiary	Receipt of dividends	1,008,000,000
		Other services	92,157,513
Greenpan	Subsidiary	Others	25,920,000
Phoenix	Subsidiary	Others	246,172,885
Seareal	Subsidiary	Others	18,413,527
Inwatek	Related party	Interest income	658,643,288
<b>Payables to suppliers</b>			
Searefico E&C	Subsidiary	Construction services	80,936,492,255
Searee	Subsidiary	Construction services	27,251,992,895
<b>Prepayment from buyers</b>			
Searefico E&C	Subsidiary	Construction services	5,269,000,000
<b>Other short-term payables</b>			
Searefico E&C	Subsidiary	Construction services	2,465,059,891
Greenpoan	Subsidiary	Interest Expense	562,842,226
<b>Short-term loan receivables</b>			
Searefico E&C	Subsidiary	Lendings	9,100,000,000
Arico	Subsidiary	Lendings	22,000,000,000
Greenpan	Subsidiary	Lendings	10,000,000,000
<b>Short-term borrowings</b>			
Searefico E&C	Subsidiary	Debt	23,028,380,433
Searee	Subsidiary	Debt	9,620,500,000



### 3.4. Evaluation of the implementation of the provisions on corporate governance

Participating in the stock market since 2009, the Company has always maintained the update of regulations issued by the State Securities Commission (SSC) and strictly applied them to the Company's internal management. Report on the corporate governance of the Company is submitted to SSC and HOSE and published on the website of the Company.





# Section 6

## Sustainable Development Report



SEAREFICO

It may take only a few hours for someone to practice and know how to play with the board and waves, but to become a great surfer, it takes years of serious practice to overcome human fears after countless times of experiencing the feeling of buckling and being whipped by the water. As a man properly pursues his passion and indulges it into his daily efforts, it also means that his limits are gradually expanding.

Similarly, it is not simple that Searefico has affirmed its value and reputation over the years with the customers, partners and investors. All are built upon the solid foundation of daily and hourly efforts along with the Searefiers' strong perspective of LIVING KINDLY - WORK HARDLY.





## 1. INTEGRATION AND APPLICATION OF MANAGEMENT SYSTEMS TO CORPORATE GOVERNANCE

Searefeco applies a number of management tools, such as: QMS/ Quality Management System (ISO 9001: 2015), OH&S/Occupational Health and Safety Management System (ISO 45001: 2018), EMS/Environment Management System (ISO 14001: 2015), Social Responsibility Management System (SA 8000); BSC, KRA, KPI to control, measure and evaluate the effectiveness of processes and activities in compliance with the objectives;

Searefeco has a classification system that conforms to re-certification cycles (7 cycles, over 20 years); the following Conformity Management System is integrated with QMS under a corporation model to ensure the compliance with the Principles of Corporate Governance (CG) and regulations on Corporate Management (CM) issued by the BOD.

### Achievements

In the past 10 years, the Parent Company and subsidiaries have not recorded any special incident related to the environment or safety, and have not been fined by any environmental agencies or organizations; In the management, classification, transportation of wastes, environmental impact assessment, evaluation and monitoring of factories and projects, the Company always complies while our environmental safety and sanitation control system is professionally organized, from the Parent Company to the Subsidiaries; and our Occupational Safety and Health Supervision Force has been standardized.

### Strategic orientation

Continue maintaining and improving the system of processes, regulations, and technology to approach global and regional level in management and production science to become a leading Vietnamese corporation in the field of engineering and technology.

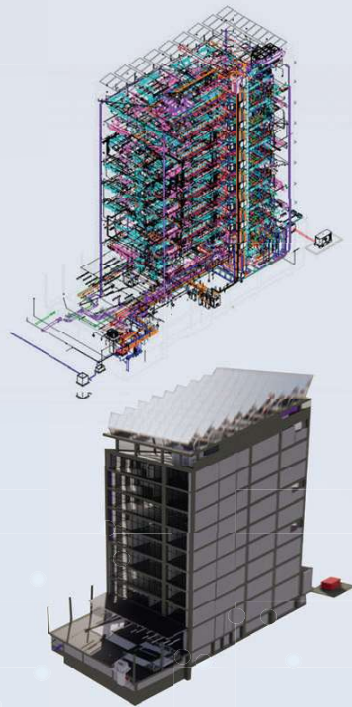


### Building Information Modelling (BIM)

Currently, the subsidiaries in Searefico ecosystem have deployed BIM/ Revit project information models. BIM/ Revit application process at Searefico has brought about significant advantages, specifically:

- Speed up the progress of project implementation and transfer between parties;
- Improve the efficiency and accuracy in the entire process;
- Reduce the conflicts among systems and improve the safety;
- Strengthen stakeholder engagement and collaboration;
- Control comprehensive costs and environmental data;
- Minimize the cost of errors and rework;
- Be effective in the management at the operating stage.

BIM changes the way we work and is the upcoming trend in the construction industry. Searefico continues investing our resources in BIM activities to increase bidding opportunities and achieve long-term goals set out in "The Roadmap for applying Building Information Modelling (BIM) in construction activities" approved by the Prime Minister.



## 2. GREEN TECHNOLOGY AND PRODUCTS THAT ARE FRIENDLY TO THE ENVIRONMENT AND PEOPLE

With the business principle of being responsible to the employees and the community, we have set up a monitoring and supervision system so that all production and construction activities comply with the regulations on reducing greenhouse gas emissions and protecting the Ozone layer.

### SUPPLIED AND CONSTRUCTED AIR CONDITIONING SYSTEM, INDUSTRIAL REFRIGERATION EQUIPMENT

During the refill, maintenance and service of the air conditioning system, Searefico has stopped the use of HCFC-22 (R22) and replaced it with R123, R134A, R467A or an equivalent gas that does not cause damage to the ozone layer and saves energy.

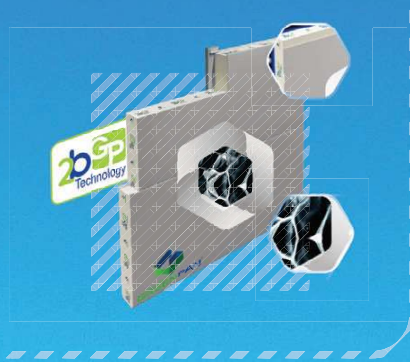




## PRODUCTION OF PIR PANELS

In order to raise the product position in the market, especially to develop production field and use of light, unburnt materials, to meet the increasingly strict requirements of the market for sound and heat insulation, resistance against erosion, moss, and mold, Greenpan's PIR Panel is the most modern production technology line imported from Europe;

In the process of production and construction, (PIR) Panels of Greenpan generate no emissions such as HCFCs and VOCs that damage air quality and ozone layer.



## SOLAR ELECTRICITY

Phoenix produces consumer electricity from solar energy by renting the roofs and walls of houses and buildings to set up small-scale power plants with generating capacity of 500KW to 1000KW. Specifically, Phoenix rented the roofs of factories of Arico, Greenpan to produce electricity with capacity of 1MWp and 0.5MWp together with many other similar projects that have been implemented nationwide.





3. REINVENTION, KNOWLEDGE MANAGEMENT, DIGITALIZATION



REINVENTION:

From the foundation of SRP 1 (Phase 1) since 2021, the Board of Directors continued implementing Re invention Phase 2 (SRP2) over the past year. From June to December 2022, this activity was designed under the project model to promote the creativity and improvement among employees at Searefico. In 2023, the organization will continue carrying out restructuring activities with the standardization of processes and regulations in compliance with "Pure Holding Company" model.



DIGITALIZATION:

The BOD identified digital transformation as a crucial trend for businesses in the era of industry 4.0. Currently, the Company has launched a digitalization roadmap, initially built the mechanism for digitization activities, and performed basic tasks.

### KNOWLEDGE MANAGEMENT

Knowledge is one of the company's important legacies. The BOD promoted knowledge management and reading culture in 2022. Knowledge Management Board was established to synthesize and keep knowledge and specific values of the organization:

- Opened a virtual library through the collection of internal and external documents;
- Developed Flower of Knowledge library with more than 7000 titles on science and technology, management science, society, living languages, industry standards, design, materials, etc. under the social learning model;
- Organized knowledge sharing sessions to turn implicit knowledge to explicit knowledge;





## 4. SENIOR MANAGEMENT COMMITMENT

The Company persistently implements its commitments and promotes all efforts to prioritize the implementation of sustainable development plans to increase positive impacts on people, community, environment and society.



### BUILD THE PEOPLE BUILD THE COMPANY

#### TO THE EMPLOYEES

For a healthy, positive and lawful working environment and working conditions (culture, space, etc.)

- The Company is committed to fulfilling our obligations to the employees and complying with labour laws in a transparent, complete and comprehensive manner: Welfare programs, health insurance, social insurance, allowances, timely salary and bonus payment; clear performance evaluation and grading mechanism for salary promotion and reward.
- The Company always takes efforts to overcome difficulties to maintain continuous production and business activities create jobs and stabilize incomes for employees.
- Action plans are always associated with our vision, mission, core values, and principles. The Board of Directors of the Company always motivates and promotes the creativity, and builds a strong team in accordance with the spirit of "Build the People - Build the Company".

**Achievements:** There was no strike, labour dispute, or violation of labour law that could result in escalated complaints, no administrative penalties for violations of labour law; for 2 consecutive years, Searefco has been elected by Alphabe and the community as one of Top 100 Best Places to Work in Vietnam and received many other prestigious awards.



### RESPONSIBILITY

#### TO THE COMMUNITY AND SOCIETY

- The Safety - Health - Environment Department periodically propagandizes and monitors the activities of factories and projects where production and construction activities are located to ensure the compliance with environmental laws and regulations and that the habitat of animals, plants and people is not affected;
- Include monthly KPIs for managers and employees in the fields of Safety - Health - Environment;
- Develop the regulations on reward and punishment for internal violations in the fields of safety, environment, security, fire prevention and fighting.
- Strictly comply with the regulations on fire prevention and fighting, emergency incidents and rescue, set up emergency incident response teams and provide first aid on the scene;

In 2023 and the following years, we will promote the measurement and control of electricity, water, solid waste, hazardous waste, consumption of materials and resources, etc. and take improvement measures;



### TRANSPARENCY CULTURE

#### TO THE INVESTORS AND SHAREHOLDERS

##### To the shareholders:

- The Company always complies with the regulations on information disclosure, listens and responds quickly to all suggestions and requests from the shareholders;

##### To the strategic shareholders:

- Taisei Oncho and Sanyo Engineering & Construction (02 leading mechanical & electrical Japanese contractors) helped increase internal energy for the company's core business activities, especially training a team of quality engineers to meet the increasing requirements of the market, improve competitiveness, increase chances of winning bids.



### COMPLIANCY

#### TO THE STATE

- Properly and fully comply with the requirements of the State Securities Commission on listing and information transparency mechanism. 5 years elected by the Commission for the Best Annual Report Award;
- Make tax declaration and budget payment in accordance with applicable regulations and comply with tax regulations;
- Make other payables related to social insurance, health insurance and trade union fees in accordance with regulations.



### WIN - WIN

#### TO THE SUBCONTRACTORS AND SUPPLIERS

The Company is always committed to accompanying subcontractors and suppliers for mutual benefits:

- Share the technology and construction method to ensure the quality;
- Train sub-contractor's personnel;
- Develop the roadmap for cooperation, share opportunities and reap success;
- Cooperate under a spirit of joy, respect and understanding for a common goal;
- Quick and convenient payment process.



### PRESTIGE

#### TO THE CUSTOMERS

- At Searefco, all processes are standardized according to the standard requirements of QMS, OH&S, EMS, SA, etc. From resource mobilization, progress control, quality, operating environment, procurement, design, manufacturing, installation are in compliance with the commitments set out in published Quality Policy, Occupational Health-Safety Policy, and Public Environmental Policy.
- "Prestige" is always considered by the company as a guideline in business activities. Over the past year, many traditional customers have put their trust and chosen Searefco and subsidiaries as the supplier and joint venture partner to implement large projects.



# Section 7

## Typical projects

LEARFICO

Legacy, the leftover for the next generation to inherit, is not simply a book - to the writer, or a candy - to the candy maker, but the method to write a book or the recipe to make a candy, with so much efforts, sweat and tears, expensive devotions, that is the legacy for the future.

For surfers that consider the majesty of nature as the reason to live, the inspiration about the value of practice and the strong belief in the an individual's inner strength are the sayings about the infinite ability to conquer the nature - that is the legacy.





TRANSIMEX COLD STORAGE

LONG AN



RẠNG ĐÔNG HEALTHCARE WAREHOUSE

LONG AN





**PHÚ AN THẠNH STORAGE**

LONG AN



**MASAN FACTORY**

HÀ NAM



**NGHI SƠN FOOD WAREHOUSE**

THANH HOÁ



**PHÚ SĨ COLD STORAGE (ARC)**

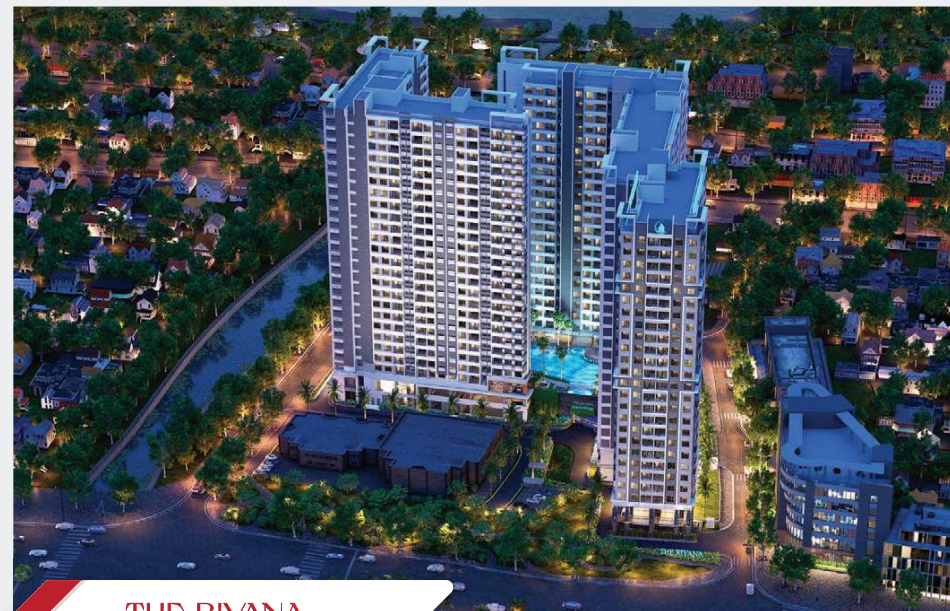
BÌNH DƯƠNG





MASTERISE CENTER POINT

HỒ CHÍ MINH CITY



THE RIVANA

BÌNH DƯƠNG



THE HERITAGE WESTLAKE

HÀ NỘI



DHG PHARMACEUTICAL FACTORY

HẬU GIANG





NUMBER ONE FACTORY

HẬU GIANG



LC FOODS FACTORY

BÌNH DƯƠNG



MINH PHÁT KHÁNH AN FACTORY

CÀ MAU



SUMIMOTO FOOD FACTORY

BÌNH DƯƠNG



# Section 8

## Financial Statements

SEAREFICO

Being aware of the weather and knowing the rules of ocean wave and wind are not as important as understanding oneself. One may not easily take control of external factors until he has fully understood his inner, physical and mental, strengths.

Before a project, instead of asking "When do we start?" you may wonder "Am I ready?". Once you're ready, there will be a path leading to action. With confidence and determination when you know what you have and where your strengths are. Together with the philosophy of "Lives kindly. Works Hardly. Endows legacy", each Searefiers' step is the affirmation of united strength with the vision of the path to sustainable development.

## CORPORATE INFORMATION

<b>Enterprise registration planning certificate joint stock company</b>	No. 0301825452 dated 18 September 1999 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on and the latest 21 <sup>th</sup> amendment dated 28 September 2022.	
<b>Board of Directors</b>	Mr. Lê Tấn Phước Mr. Nguyễn Hữu Thịnh Mr. Ryota Fukuda Mr. Nishi Masayuki Mr. Lê Quang Phúc Mr. Phạm Kyle Anh Tuấn Mr. Lee Men Leng	Chairman Member Member Member Member Member (from 25 February 2022) Member (until 24 February 2022)
<b>Audit Committee</b>	Mr. Phạm Kyle Anh Tuấn Mr. Nguyễn Hữu Thịnh	Chairman Member
<b>Science and Technology Committee</b>	Mr. Lê Tấn Phước Mr. Nishi Masayuki	Chairman Member
<b>Compensation and Organisation Development Committee</b>	Mr. Lê Quang Phúc Mr. Nguyễn Hữu Thịnh	Chairman Member
<b>Board of Internal Audit under Board of Directors</b>	Ms. Huỳnh Như Phương Mr. Nguyễn Châu Trần	Manager (from 1 July 2022) Acting Chief Supervisor (until 30 June 2022)
<b>Board of Management</b>	Mr. Vũ Xuân Thúc Ms. Nguyễn Thị Thanh Hường Mr. Trần Đình Mười Mr. Phạm Ngọc Sơn Mr. Huỳnh Khôi Bình Mr. Nguyễn Quốc Cường Mr. Phan Thành Long Mr. Đinh Ngọc Triển Mr. Vương Trần Quốc Thanh	Chief Executive Officer (from 1 September 2022) Chief Executive Officer (to 4 July 2022) Deputy General Director Deputy General Director (to 22 December 2022) Deputy General Director (to 22 December 2022) Deputy General Director (to 1 July 2022) Chief Financial Officer (to 31 December 2022) Chief Accountant (from 12 September 2022) Chief Accountant (to 12 September 2022)
<b>Legal Representative</b>	Mr. Lê Tấn Phước Mr. Vũ Xuân Thúc Ms. Nguyễn Thị Thanh Hường	Chairman of Board of Directors Chief Executive Officer (from 1 September 2022) Chief Executive Officer (until 4 July 2022)
<b>Registered Office</b>	14 <sup>th</sup> Floor, Centec Tower 72 - 74 Nguyễn Thị Minh Khai Street, Võ Thị Sáu Ward, District 3, Hồ Chí Minh City	
<b>Auditor</b>	PwC (Vietnam) Limited	

## STATEMENT OF THE BOARD OF MANAGEMENT

## STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of Searefco Corporation ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

## Approval of the consolidated financial statements

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 59 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of the consolidated financial statements.

## On behalf of the Board of Management



Vu Xuan Thuc  
Chief Executive Officer  
Legal Representative

Ho Chi Minh City, SR Vietnam  
15 March 2023





## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF SEAREFICO CORPORATION

We have audited the accompanying consolidated financial statements of Searefico Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2022 and approved by the Board of Management on 15 March 2023. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 6 to 59.

### RESPONSIBILITY OF THE BOARD OF MANAGEMENT

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

### For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau  
Audit Practising Licence No:  
0875-2023-006-1  
Authorised signatory

Tran Thi Cam Tu  
Audit Practising Licence No:  
2713-2023-006-1

Report reference number: HCM13019  
Ho Chi Minh city, 15 March 2023

## CONSOLIDATED BALANCE SHEET

Form B 01 - DN/HN  
As at 31 December

Code	ASSETS	Note	2022 VND	2021 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,381,724,918,285</b>	<b>1,332,532,232,066</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>238,793,514,210</b>	<b>60,499,313,356</b>
111	Cash		77,806,479,608	59,714,313,356
112	Cash equivalents		160,987,034,602	785,000,000
<b>120</b>	<b>Short-term investment</b>		<b>117,992,162,805</b>	<b>110,359,200,000</b>
123	Investment held to maturity	4(a)	117,992,162,805	110,359,200,000
<b>130</b>	<b>Short-term receivables</b>		<b>726,681,910,174</b>	<b>782,001,895,799</b>
131	Short-term trade accounts receivable	5	740,636,685,376	726,004,583,852
132	Short-term prepayments to suppliers	6	52,177,273,593	49,671,980,022
136	Other short-term receivables	7(a)	42,563,598,323	37,664,977,608
137	Provision for doubtful debts - short-term	8	(108,695,647,118)	(31,339,645,683)
<b>140</b>	<b>Inventories</b>	9	<b>274,965,147,940</b>	<b>333,318,564,993</b>
141	Inventories		278,025,157,540	334,185,494,833
149	Provision for decline in value of inventories		(3,060,009,600)	(866,929,840)
<b>150</b>	<b>Other current assets</b>		<b>23,292,183,156</b>	<b>46,353,257,918</b>
151	Short-term prepaid expenses	10(a)	4,031,449,826	2,582,141,019
152	Value added tax ("VAT") to be reclaimed	15(a)	18,038,625,008	42,787,280,422
153	Tax and other receivables from the State	15(a)	1,222,108,322	983,836,477
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>348,839,766,969</b>	<b>520,729,143,686</b>
<b>210</b>	<b>Long-term receivables</b>		<b>2,613,729,919</b>	<b>1,836,601,000</b>
216	Other long-term receivables	7(b)	2,613,729,919	1,836,601,000
<b>220</b>	<b>Fixed assets</b>		<b>259,791,970,916</b>	<b>272,811,914,314</b>
221	Tangible fixed assets	11(a)	256,140,807,646	269,843,368,020
222	Historical cost		387,597,218,457	385,602,156,131
223	Accumulated depreciation		(131,456,410,811)	(115,758,788,111)
224	Finance lease fixed assets		1,030,750,000	-
225	Historical cost		1,030,750,000	-
226	Accumulated depreciation		-	-
227	<b>Intangible fixed assets</b>	11(b)	<b>2,620,413,270</b>	<b>2,968,546,294</b>
228	Historical cost		6,022,927,119	5,941,197,119
229	Accumulated amortisation		(3,402,513,849)	(2,972,650,825)
<b>240</b>	<b>Long-term asset in progress</b>		<b>33,630,897,821</b>	<b>33,417,126,812</b>
242	Construction in progress	12	33,630,897,821	33,417,126,812
<b>250</b>	<b>Long-term investments</b>		<b>5,556,717,362</b>	<b>165,955,372,698</b>
252	Investments in associate	4(b)	2,100,000,000	161,498,655,336
253	Investments in other entities	4(c)	3,456,717,362	4,456,717,362
<b>260</b>	<b>Other long-term assets</b>		<b>47,246,450,951</b>	<b>46,708,128,862</b>
261	Long-term prepaid expenses	10(b)	32,693,859,713	31,983,351,721
262	Deferred income tax assets	22	14,552,591,238	14,724,777,141
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,730,564,685,254</b>	<b>1,853,261,375,752</b>

## CONSOLIDATED BALANCE SHEET (continued)

Form B 01 - DN/HN  
As at 31 December

Code	RESOURCES	Note	2022 VND	2021 VND
<b>300</b>	<b>LIABILITIES</b>		<b>1,301,575,884,207</b>	<b>1,279,580,524,672</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>1,221,362,611,541</b>	<b>1,182,852,743,920</b>
311	Short-term trade accounts payable	13	381,177,211,923	306,522,366,234
312	Short-term advances from customers	14	207,837,260,842	109,448,135,163
313	Tax and other payables to the State	15(b)	14,179,234,589	8,622,944,187
314	Payables to employees	16	8,743,231,640	14,636,229,315
315	Short-term accrued expenses	17	143,284,462,930	90,617,043,576
318	Short-term unearned revenue		247,500,000	-
319	Other short-term payables	18(a)	23,317,404,624	31,005,707,596
320	Short-term borrowings and finance lease liabilities	19(a)	434,826,585,553	607,247,979,184
321	Provision for short-term liabilities	20(a)	612,019,662	1,376,538,681
322	Bonus and welfare funds	21	7,138,059,778	13,375,799,984
<b>330</b>	<b>Long-term liabilities</b>		<b>80,213,272,666</b>	<b>96,727,780,752</b>
331	Long-term trade accounts payables		635,200,000	-
337	Other long-term payables	18(b)	1,160,000,000	3,625,454,585
338	Long-term borrowings and finance lease liabilities	19(b)	76,305,660,916	90,578,404,417
342	Provision for long-term liabilities	20(b)	2,112,411,750	2,523,921,750
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>428,988,801,047</b>	<b>573,680,851,080</b>
<b>410</b>	<b>Capital and reserves</b>		<b>428,988,801,047</b>	<b>573,680,851,080</b>
411	Owners' capital	23,24	355,667,800,000	355,667,800,000
411a	- Ordinary shares with voting rights		355,667,800,000	355,667,800,000
412	Share premium		284,019,059	284,019,059
414	Owners' other capital	24	4,415,811,426	4,415,811,246
415	Treasury shares	24	(29,238,407,099)	(29,238,407,099)
418	Investment and development funds	24	8,308,963,938	8,308,963,938
421	Undistributed earnings	24	412,708,023	144,650,123,767
421a	- Undistributed post-tax profits of previous years		141,706,737,915	115,185,462,889
421b	- (Post-tax loss)/post-tax profits of current year		(141,294,029,892)	29,464,660,878
429	Non-controlling interests	25	89,137,905,880	89,592,540,169
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,730,564,685,254</b>	<b>1,853,261,375,752</b>


NGUYEN THANH TAM  
Preparer

DINH NGOC TRIEN  
Chief AccountantVU XUAN THUC  
Chief Executive Officer  
15 March 2023



## CONSOLIDATED INCOME STATEMENT

Form B 02 - DN/HN

Year ended 31 December

Code	Note	2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services	1,185,608,421,970	930,440,139,439
10	Net revenue from sales of goods and rendering of services	29 1,185,608,421,970	930,440,139,439
11	Cost of goods sold and services rendered	30 (1,204,372,883,631)	(843,891,078,275)
20	Gross (loss)/profit from sales of goods and rendering of services	(18,764,461,661)	86,549,061,164
21	Financial income	31 104,618,916,125	12,668,515,570
22	Financial expenses	32 (48,794,202,825)	(36,730,691,545)
23	- Including: Interest expenses	32 (38,869,072,408)	(36,489,486,150)
24	Profit sharing from associates	-	17,358,037,857
25	Selling expenses	(4,140,041,538)	(3,574,053,547)
26	General and administration expenses	33 (160,426,807,631)	(43,736,291,813)
30	Net operating (loss)/profit	(127,506,416,530)	32,534,577,686
31	Other income	34 3,679,981,308	6,577,174,740
32	Other expenses	34 (3,066,750,369)	(1,201,250,624)
40	Net other income	613,230,939	5,375,924,116
50	Net accounting (loss)/profit before tax	(126,893,185,591)	37,910,501,802
51	Corporate income tax ("CIT") - Current	35 (14,264,767,864)	(5,672,588,879)
52	CIT - deferred	35 (172,185,903)	2,121,875,634
60	Net (loss)/profit after tax	(141,330,139,358)	34,359,788,557
Attributable to:			
61	Owners of the Company	(141,294,029,892)	29,464,660,878
62	Non-controlling interests	(36,109,466)	4,895,127,679
70	Basic (losses)/earnings per share	27(a) (4,269)	738
71	Diluted (losses)/earnings per share	27(a) (4,269)	738

NGUYEN THANH TAM  
Preparer

DINH NGOC TRIEN  
Chief Accountant



VU XUAN THUC  
Chief Executive Officer  
15 March 2023

## CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

Form B 03 - DN/HN

Year ended 31 December

Code	Note	2022 VND	2021 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net accounting (loss)/profit before tax	(126,893,185,591)	37,910,501,802
Adjustments for:			
02	Depreciation and amortisation	36 16,875,130,755	16,866,016,999
03	Provision/(reversal of provisions)	79,846,466,459	(8,874,750,919)
04	Unrealised foreign exchange losses/(gains)	32, 31 1,673,920,556	(3,087,573,219)
05	Profits from investing activities	(102,786,291,514)	(26,174,486,989)
06	Interest expense	32 38,869,072,408	36,489,486,150
08	Operating (loss)/profit before changes in working capital	(92,414,886,927)	53,129,193,824
09	Decrease in receivables	4,226,602,282	97,137,497,748
10	Decrease/(increase) in inventories	56,199,080,306	(50,304,640,872)
11	Increase/(decrease) in payables	207,646,264,488	(38,163,430,152)
12	(Increase)/decrease in prepaid expenses	(1,087,220,708)	2,004,146,641
14	Interest paid	(39,242,862,844)	(36,234,562,456)
15	CIT paid	15(b) (8,310,132,863)	(9,132,132,328)
17	Other payments on operating activities	(9,819,160,881)	(9,102,698,473)
20	Net cash inflows from operating activities	117,197,682,853	9,333,373,932
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(6,984,243,598)	(16,910,289,291)
22	Proceeds from disposals of fixed assets	191,850,000	1,184,541,334
23	Loans granted, purchases of debt instruments of other entities	(267,226,841,189)	(10,359,200,000)
24	Collection of term deposits at banks, proceeds from sales of debt instruments of other entities	259,593,878,384	78,250,000,000
26	Proceeds from divestment of investments in associate and other entities	247,985,199,980	-
27	Dividends and interest received	15,118,221,503	19,388,249,325
30	Net cash inflows from investing activities	248,678,065,080	71,553,301,368
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issue of shares	-	10,769,040,000
33	Proceeds from borrowings	19 851,627,429,735	1,503,870,183,391
34	Repayments of borrowings	19 (1,039,129,674,867)	(1,597,617,705,330)
35	Finance lease principal repayments	(82,460,000)	-
36	Dividends paid	-	(526,611,250)
40	Net cash outflows from financing activities	(187,584,705,13)	(83,505,093,189)
50	Net (decrease)/increase in cash and cash equivalents	178,291,042,801	(2,618,417,889)
60	Cash and cash equivalents at beginning of year	3 60,499,313,356	63,100,216,101
61	Effect of foreign exchange differences	3,158,053	17,515,144
70	Cash and cash equivalents at end of year	3 238,793,514,210	60,499,313,356

NGUYEN THANH TAM  
Preparer

DINH NGOC TRIEN  
Chief Accountant



VU XUAN THUC  
Chief Executive Officer  
15 March 2023

**Dear precious shareholders,  
customers, partners, and all employees,**

We took a look back at our business results in 2022 and set our sights on a journey of permanence.

The year 2022 closes with a myriad of post-Covid chaos and challenges. Searefico has experienced the most unpredictable moments of volatility. Perseverance in the face of storms and not backing down from difficulties like the superior qualities of the Searefico people which were once again sublimated in the shadow of the crisis. We, the Searefiers, have joined the beat, joined hands, flexibly adapt to the circumstances to unleash a long-term vision and are determined to transform to lead.

A new attitude for a new journey, a journey to overcome waves with the spirit of "**Persistent in objectives - Flexible in tactics**"

Through the message of this publication, we hope that the qualities and inner strength of the Searefico People will continue to break through and sublimate to conquer new heights on the journey of permanence.



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Let's aspire with a passionate heart and decide  
with a strong mind to live forever with the spirit of  
"Lives Kindly - Works Hardly - Endows Legacy"